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WORLD FOOD SITUATION 1948

THIS CIRCULAR IS A CONTINUATION OF THE WORLD FOOD SUMMARIES WHICH HAVE BEEN ISSUED BY THE OFAR SINCE THE FOOD EMERGENCY SITUATION DEVELOPED IN 1945. PREVIOUS SUMMARIES WERE MADE IN OCTOBER 1945, FEBRUARY 1946, NOVEMBER 1946, AND MARCH 1947. IT CONTAINS A SUMMARY OF THE FOOD SUPPLY SITUATION IN THE MAJOR DEFICIT AND SURPLUS PRODUCING AREAS AS WELL AS A REVIEW OF PRODUCTION AND TRADE OF THE MOST ESSENTIAL FOOD COMMODITIES FOR 1947-48. AN OUTLOOK STATEMENT ON WINTER CROPS IN THE NORTHERN HEMISPHERE FOR HARVEST IN 1948-49 IS INCLUDED.

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THE WORLD FOOD SITUATION 1948

Summary

World production of most major foods for 1947-48 is slightly above 1946-47 but is still below the prewar average. Moreover, the world population has increased about 10 percent during the past 10 years so that per capita food supplies are substantially below prewar levels. Despite the moderate increase in world production, the shortage of food in some deficit producing areas is more critical than a year ago. Sharp reductions in food output, due to unfavorable weather, has compelled many deficit countries to reduce their already low rations and even these rations can be maintained until the next harvest only by a most careful utilization of domestic food supplies and the greatest possible help from exporting countries.

The outlook for the 1948-49 food production at this time, is somewhat more favorable than a year ago as a larger acreage has been planted to winter crops and conditions to date have been beneficial for crop growth. If these favorable conditions continue until harvest, a moderate relaxation in the present tight food situation appears probable for the 1948-49 consumption year, but per capita supplies, particularly in the deficit countries, will continue somewhat below prewar.

The most marked decline in food production during 1947 occurred in the western part of Europe, including Scandinavia. Severe freezes, which caused extensive winter kill of fall-sown crops, were followed by one of the most serious summer droughts on record. Production of breadgrains throughout Europe, excluding Russia, was almost as small as in 1945 and about 300 million bushels or 16 percent below 1946. In addition, supplies of feeds, particularly hay, root crops and pasturage, was so seriously reduced in some parts of western Europe that extensive liquidation of livestock has been necessary.

These deficits have called for unusual efforts to move foods from exporting countries. The United States, largely because of a record wheat crop, will export from 520 to 570 million bushels of all grains. However, overall food exports from this country have been limited by smaller crop production than in 1946, the largest drop in corn. Unusually favorable conditions for the wheat crop in Australia and Argentina have increased the supply of cereals available for shipment to deficit areas over that which appeared probable last fall. Some exports of feed and food grains also are being made from Russia and some eastern European countries. But even these larger supplies are not sufficient to offset the decline in production in other countries of Europe.

The food supplies in the Far East are slightly better than appeared probable last fall. Weather conditions during November and December were generally favorable to the development of rice and other late crops of this area. This improvement is not sufficient to permit significant exports of foods to areas outside of Asia, but may result in some reduction in the import requirement of foodstuffs.

The change in the overall food supply position of the Far East since before the war has been an important factor in the world food shortage of the past 3 years. In 1935-39 this area was a net exporter of about 4.5 million short tons of rice, sugar, oilseeds, and other food products, whereas, in 1947 it was a net importer of about 6.5 million tons of food products, mostly cereals from the United States, Australia, Canada and Argentina.

In other areas of the world, food consumption continues at about the same level as in the past 2 years, but sharply rising prices and the shortage of exchange has made it exceedingly difficult for importing countries to obtain their usual supplies.

Production of the major food products is gradually recovering from a low point reached in 1945, (see following table) but the recovery of many essential foods from 1946 to 1947 was slight and production of all major foods was still below the prewar average.

World Production of Principal Food and Feed Products
Average 1935-39, Annual 1945, 1946 and 1947

Commodity	Unit	Average 1935-39	1945	1946	1947 Preliminar
		Thousands	Thousands	Thousands	Thousands
Food Products					
Rice	Bushels	7,442,000	6,418,000	6,950,000	7,086,000
Wheat	"	5,998,000	5,120,000	5,735,000	5,775,000
Rye	"	1,730,000	1,363,000	1,455,000	1,515,000
Sugar, raw	Sh. tons	34,787	26,386	31,894	33,466
Fats & oils 1/	" "	21,649	16,862	17,700	20,000
Meats	Pounds	66,100,000	60,800,000	60,900,000	64,700,000
Milk 2/	"	374,600,000	322,700,000	325,000,000	327,900,000
Potatoes	Bushels	8,417,851	6,473,248	7,132,936	7,080,735
Feed Crops					
Corn	Bushels	4,730,000	4,965,000	5,325,000	4,750,000
Oats	"	4,365,000	3,920,000	3,965,000	3,805,000
Barley	"	2,365,000	1,910,000	2,065,000	2,190,000

1/ Oil equivalent. Includes butter.
2/ In specified countries, including most countries of Europe, North America, and Argentina, Australia, and New Zealand.

A favorable season for rice, in most Asiatic countries, has resulted in an increase in world production to about 96 percent of prewar. Supplies of milled rice are about 2 million tons larger than last year. A part of this increase is in China, the Philippines, Korea, and other areas that have been short of food supplies and will be consumed locally. The increase in the amount that will be available for export is relatively small and exportable supplies in the 1947-48 season are estimated at about 3 million short tons compared with 8.8 million before the war and 2.5 million tons in 1946-47.

Production of breadgrains in 1947 was only slightly above 1946 and was below the prewar average. In many of the large deficit producing areas production was considerably below that of 1946 and with the widespread demand for cereals as a substitute for other foods in short supply, the critical shortage of cereals continues through the 1947-48 year. In several areas formerly short of cereals, particularly Russia and China, increased supplies have relieved the food shortage somewhat and permitted a higher per capita consumption.

World production of coarse grains in 1947 was about 7 percent less than in 1946 and slightly below prewar. Supplies of other feeds, particularly in Europe, also were sharply reduced by drought in 1947 and with increased quantities of coarse grains being used as food, feed supplies have been shorter than usual in all major feed producing areas. This has resulted in some liquidation of livestock, particularly in Europe, and has reduced the production of livestock products in nearly all areas. World meat supplies were temporarily increased in the fall months of 1947 by this liquidation, but prospects for 1948 are for substantial reduction in meat production.

Potatoes are the only major food crop with a smaller world production in 1947 than in 1946. The decline in production occurred mainly in Europe and was particularly severe in the United Kingdom and Czechoslovakia. In the United Kingdom, potatoes have been rationed for the first time, and they have again been placed on the ration list in Czechoslovakia. Rationing also continues in Germany and Austria. Considerable difficulty is being experienced in obtaining sufficient quantities to maintain rations in these countries, and to supply large consuming centers in others.

Outlook for 1948-49 Food Production

The outlook for food production in 1948-49 is characterized by (1) generally favorable conditions for winter crops in the Northern Hemisphere, (2) increased planted or intended acreage of food crops in 1948 and (3) larger supplies of fertilizers. Despite the increase in fertilizer supplies there are still several areas short of nitrogen, and phosphates are badly needed in some of the Far Eastern countries. The supplies of seeds for fodder beets and some of the other root crops grown in Northwestern Europe are still short because of the extensive damage of last winter's severe freeze. Supplies of new farm equipment have been increasing slowly and in many countries are not yet sufficient to replace equipment being forced out of use because of shortage of parts. The shortage of parts to existing equipment is one of the serious handicaps to the recovery of food production and greatly increases the amount of farm work which must be done by antiquated methods.

If the favorable weather conditions continue and acreage intentions for 1948 are carried out, further increases in the production of cereals, rice, fats and oils, sugar and feeds are likely. However, supplies of these products on a per capita basis would still be somewhat below prewar and would permit only a moderate relaxation of the present stringent levels of consumption in the deficit producing countries. Furthermore, in all countries there is a need for an increase in reserve stocks of food products in order to improve distribution and to insure the fulfillment of established rations.

Obstacles to Expanding World Food Production and Distribution

The worldwide shortage of industrial goods and inflation continues to retard agricultural reconstruction in war-torn countries. Farmers, unable to obtain enough of the goods they need, are unwilling to produce and sell their products for a depreciating currency. Though some expansion of production is being secured in those areas, a return to prewar levels of cultivation is dependent upon industrial recovery. Since this recovery is in turn dependent on increased food supplies, a vicious cycle exists that cannot be broken except by supplementary imports of foods and other necessities.

The flow of food and other necessities from the countries that produce exportable surpluses to the deficit countries is impeded, however, by the shortage of foreign exchange and especially of dollars in many of the deficit countries. Because of their seriously depleted exchange reserves, a number of importing countries depend on loans and grants even for the maintenance of a minimum volume of imports.

As many of the financial loans granted in the postwar period became exhausted or nearly exhausted in the summer of 1947 an international financial crisis developed which caused many countries to tighten their import controls still further. As a result, the effective world demand for such products as fresh and dried fruits and sugar dropped below available supplies and in some countries the shortage of foreign exchange threatens to become a limiting factor in the international flow even of the most essential foods.

EUROPE

(excluding the Soviet Union)

Food supplies in the consumption year 1947-48

The overall food situation in Europe has grown increasingly difficult during the past year, and may deteriorate further before the new harvest is gathered. Indigenous supplies in terms of calories, which even before the war furnished only about 5/6 of total supplies, are down from around 90 percent of prewar in 1946-47 to less than 85 percent in 1947-48, and imports, though expected to be larger than last year, will not suffice to offset the drop in production. Many countries have already cut rations, but unless prospects for collections or imports improve, supplies during the first half of 1948 may be too small to support even current ration levels.

Unusually bad weather was mainly responsible for the poor 1947 harvest. While agriculture was still hampered by shortages of labor, draft power, fertilizer and other farm requisites, supplies generally were better than in the preceding growing season. But the winter of 1946-47 was abnormally cold in most of Europe north of the Alps, with sub-freezing temperatures coming before the ground had snow cover. A high proportion of the fall-sown grain and especially rape was destroyed, and the losses could not be fully recouped in the spring. During the spring, drought hit much of Mediterranean Europe. Drought conditions were also reported north of the Alps. By July, western, northern and central Europe was suffering severely from dry weather which lasted well into the fall. Spring-sown crops were damaged, hay yields were drastically reduced, and pastures dried up, with a consequent drop in milk yields and a sharp rise in slaughter rates as cattle were partially liquidated.

Under these unfavorable circumstances, the all-important breadgrain crop in 1947 fell by 7.6 million long tons, or 16 percent, from the 1946 level to less than 65 percent of the 1933-37 average. The drop was not so marked for potatoes and sugar beets as for breadgrain, but was nevertheless considerable. Milk and butter production is also expected to be lower in 1947-48 than in 1946-47. However, total output of fats and oils will probably show some increase over the low 1946-47 level, for olive oil production this year is high above last, and slaughter fat production is likely to be at least maintained. Meat output for 1947-48 as a whole will also probably exceed last year's level, though the drought-caused high slaughter rates of late summer and autumn will fall heavily in the winter and spring.

Food production has not declined as much as agricultural output since many countries are diverting more grain from feed to food uses than in 1946-47 and some have raised the already high flour extraction rates. Even with the most rigid economies, however, Europe would need to import much more food in order to maintain last year's consumption levels. But because of world shortages of food or European shortages of foreign exchange or both, grain imports for food in 1947-48 are not likely to increase by more than

3 to 3.5 million long tons over the 1946-47 level, fats and oils imports will probably show little increase, sugar imports may only offset the drop in sugar production, and meat and milk imports are expected to decrease. Europe is thus faced with curtailed supplies of bread, the mainstay of the diet throughout the Continent especially since the first war years, and with decreased milk supplies at a time where there is little prospect of raising appreciably the still low levels of meat, fat and sugar consumption.

Since farm consumption cannot easily be reduced, a decline in overall supplies means a more than proportionate decline in nonfarm consumption. And with a decline in nonfarm supplies, black market activities tend to increase as consumers who are able to supplement rations illegally attempt to maintain their own consumption levels. Supplies available for rationed distribution are therby decreased more than total supplies for nonfarm consumers.

Current food situation by countries

Considerable adjustment of rations and nonfarm consumption in the light of supplies expected during 1947-48 as a whole has already been made. The extent of the adjustment has varied considerably from one part of Europe to another, reflecting differences in the movement of production, the ability to obtain imports, the effectiveness of agricultural and food controls, and governmental decisions as to timing of necessary ration changes.

Western Europe (British Isles, France, Low Countries, Switzerland)

In western Europe, where the drop in food production this year was particularl heavy, total supplies for 1947-48 will be well below last year's level. Thus far, the deterioration in the food situation has been most noticeable in France, the Netherlands, and the United Kingdom.

Bread consumption in France has been sharply reduced. The record low 1947 wheat harvest was around 3 million long tons below the 1946 harvest. Though imports have been larger than a year ago, the extraction rate has been increased, and a good proportion of coarse grain has been added to bread, supplies have not been sufficient to maintain the daily bread ration which was cut in May 1947 from 300 to 250 grams and in September to 200 grams for normal consumers, or less than at any time during the war. Milk supplies have also been drastically reduced. On the other hand, meat was derationed in September, the fat ration was raised for the same month, and the fat and sugar rations were raised for November and December. In fact, surveys made by the Institut National d'Hygiène indicate that average per capita consumption of most foodstuffs except bread and milk was higher in Paris in July and September 1947 than in the third quarter of 1946. But the same surveys showed that the daily per capita energy value of Parisian food consumption, excluding beverages, which averaged 2,500 calories in the third quarter of 1946 and 2,300 calories in the fourth quarter, stood at 2,200 calories in July and September 1947. This average has probably declined somewhat since them.

In the Netherlands, a cut in the bread ration and re-introduction of rationing for various flour and starch products reduced the average daily legal consumption of these foods from 357 grams in August 1947 to 300 grams in January 1948. At the same time, the proportion of wheat and rye in the bread mix was decreased. Milk and cheese rations have also been cut*, and only the meat ration has been increased. As a result, nonfarm consumption at present is estimated at only about 2,350 calories per person per day, as compared with an average of 2,550 calories in 1946-47.

The United Kingdom has been able to maintain its bread ration at 255 grams daily for the normal consumer, and to increase the fat ration in February 1948. But the poor potato crop necessitated rationing of this staple in Great Britain in November 1947 for the first time. Normal consumers are limited to 3 pounds per week, a consumption rate well below that prevailing in recent years. The meat, milk, and chocolate and sweets rations have also been reduced in the past few months, the allocation of sugar to industrial users has been cut, and the consumption of miscellaneous foods included under the points rationing plan has been restricted. Nonfarm consumption, which averaged over 2,900 calories per person per day in 1946-47 may now average some 2,750-2,800 calories.

Consumption in the other western European countries appears to have shown little change. Belgium has maintained its daily bread ration at 300 grams for the normal consumer by greatly increasing the admixture of coarse grains, and has varied other rations only slightly. In February 1948 meat was derationed. Switzerland has also been able to maintain its bread and flour ration at about 240 grams (bread equivalent) daily for the normal consumer, and though some other rations, including the milk ration, have been lowered, a few have been raised and certain foods, notably meat, have been derationed. Nonfarm consumption in both countries is still estimated at around 2,650 calories per person per day. The consumption level in Eire, the only western European country with a larger harvest in 1947 than in 1946, is considerably higher, but is somewhat below prewar. Eire's bread ration continues at an average of almost 390 grams for the normal consumer, and the sugar and butter rations were increased last summer.

Northern Europe (Finland, Scandinavia)

Northern Europe, like western Europe, has considerably smaller indigenous supplies this year than last. Only in Finland did crop output in 1947 compare favorably with that of 1946. In Scandinavia, breadgrain production especially fell heavily. Denmark, which was a net exporter of grain in 1946-47, and Sweden, which was nearly self-sufficient, both need to import substantial amounts of breadgrain this year, though daily rations of bread or flour for normal consumers, in terms of flour, have been slightly reduced to 250 grams in Denmark and 143 grams in Sweden, and flour extraction rates and the admixture of coarse grains have been increased. At the same time, Swedish rations of other foods are as high or higher than a year ago. Denmark, on the other hand, has rationed meat and decreased butter rations in an effort to promote exports of livestock products. However, average nonfarm consumption per person per day has probably not declined to less than 2,750 calories in Sweden and 2,800 calories in Denmark.

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*) On February 1, 1948 the cheese ration was partly and the milk ration fully restored.

The other two northern European countries, always dependent upon imported breadgrain, have maintained average daily bread and cereal rations for the normal consumer at 250 and 300 grams of flour equivalent ~~in~~ Norway and Finland respectively, but in order to do so in Norway supplies have had to be stretched by increasing flour extraction rates and changing bread types. Norway has also maintained rations of other foodstuffs except fats, the allowance of which was decreased in October, whereas Finland recently increased the fats and sugar rations. But Norwegian nonfarm consumption, at around 2,550 calories per person per day, remains much higher than that of Finland at around 2,200 calories.

Central and eastern Europe (Austria, Czechoslovakia, Germany, Poland)

In central and eastern Europe the deterioration of the food situation has been outstanding in Czechoslovakia where agriculture, after being most favored by the weather in 1946, was perhaps least favored in 1947. During the months September-November 1947, Czechoslovakia cut the daily bread ration from an average of around 460 to about 280 grams for the normal consumer, re-rationed potatoes and cheese, and reduced the potato, milk and sugar rations. Nonfarm consumption at present may average as little as 2,200-2,300 calories per person per day, as compared with over 2,600 calories in 1946-47.

In Germany, indigenous supplies per capita are somewhat smaller this year than last but more food is being imported. So far this season, the US-UK zones have been able to honor the bread ration based on 357 grams daily for the normal consumer, but the potato, fat, milk and meat rations have not been met in full. The shortfall reached serious proportions especially in large urban and industrial centers toward the end of 1947 and the first weeks of 1948 when it was decided to achieve a more equitable distribution of food in terms of calories by raising the sugar ration in distressed areas and in states that have filled their delivery quotas. For the two zones as a whole, the energy value of the food actually issued to normal consumers averages between 1,200 and 1,400 calories daily, or above last spring's level of less than 1,200 calories and below the official normal consumer ration of 1,550 calories, Making allowance, as in other countries, for supplementary rations and for food obtained in the free and black markets, average nonfarm consumption at present in Bizonal Germany is estimated at 1,900-2,000 calories per person per day.

In the French Zone of Germany, where normal consumers outside the Saar were officially entitled to around 1,300 calories daily in October 1947, nonfarm consumption is probably close to the average for the other two western zones. It is thought to be somewhat lower in the Soviet zone of Germany where, in August 1947 as in the spring, the official though not the actual ration for normal consumers had an energy value of about 1,550 calories daily in Leipzig and Dresden, 1,520 calories in other large towns, and 1,335 calories elsewhere. According to press reports, the Soviet Union is now considering the shipment of grain to its German zone.

Consumption levels in Austria are considerably higher than a year ago, due to larger imports. The official ration for normal consumers, raised to 1,550 calories daily in November 1946 by increasing the daily bread ration to the still prevailing level of 450 grams, was again raised to 1,600 calories in August 1946, 1,700 calories in November and, according to press reports, 1,800 calories in February 1948. Though official rations have not always been met in full, it seems likely that nonfarm consumption this winter has averaged around 2,200 calories per person per day.

The food situation in Poland also appears to be somewhat better than a year ago. Production showed an increase and substantial breadgrain imports have been received. A relatively good breadgrain position is indicated by the sharp reduction in flour extraction rates to 70 percent for wheat and 80 percent for rye, by far the lowest rates now prevailing in Europe. Potato and sugar output will cover domestic requirements and permit some exports. At the same time, the livestock industry has made considerable recovery. However, consumption in present-day Poland is still well below the prewar level for old Poland. Nonfarm consumers are probably getting some 2,100 calories daily on the average.

Mediterranean Europe (Greece, Italy, Portugal, Spain)

In Mediterranean Europe, the drop in wheat production was only partly offset by the increase in output of most other food crops, notably olive oil and rice. The reduced wheat harvest in Spain was quickly reflected in the food situation. Spanish bread rations for the low-income category or bulk of the population, which had been raised from 150 to 350 grams daily between July 1946 and January 1947, were lowered again to 150 grams between August and October 1947. Though a large olive oil output is expected for the second year in succession, and the 1947 crop of potatoes, chickpeas and kidney beans as well as rice is up from the preceding year, average nonfarm consumption (excluding wine) is estimated at present at something less than 2,000 calories daily.

Portugal is faring considerably better than Spain. Portuguese bread rations, which range from 154 grams daily for top-quality bread to 250 grams for ordinary qualities, have been maintained, and supplies of some other foodstuffs, notably olive oil, are above last year's level.

Italy has also been able to maintain the bread ration at 200 grams for the normal consumer with the help of imports, and in October 1947 the 35 gram corn flour ration was dropped and the alimentary paste-rice ration increased from 33 to 66 grams per day. In January 1948 delays in distributing alimentary paste were reported, but the paste-rice ration is made up of one-half rice in southern Italy, three-fourths rice in central Italy and all rice in northern Italy. At the same time, olive oil has become so abundant that rationing has been suspended. Sugar rations have been increased recently, and supplies of other important foodstuffs are up from last year. Italian consumers thus appear to be better off than a year ago. Nonfarm consumption (excluding wine) no doubt averages 2,000 calories or more, per person per day at present.

Greece, like Italy and Portugal, has received enough imports to maintain bread rations at 213 grams in terms of grain (about 250 grams bread equivalent) for urban consumers, and has a much larger olive oil output this year than last. Production of legumes, potatoes, and fresh and dried fruit also showed an increase in 1947. But while food supplies available for domestic use would provide more than last year's daily average of around 2,200 calories per head of the nonfarm population, distribution of these supplies has been seriously hampered by active warfare.

Southeastern Europe (Bulgaria, Hungary, Rumania, Yugoslavia)

Unlike the other regions of Europe, the normally surplus-producing southeastern region registered an increase in crop output. Corn, sugar beets and oilseeds, which had been badly damaged by a severe summer drought in 1946, recovered strongly in 1947; much more than offsetting the drop in the wheat harvest. While total food production is still below prewar, Southeastern Europe this year can export part of its output and yet have larger domestic supplies than last year when the region was on a deficit basis for food. Exports proper (i.e. excluding reparations and supplies for occupation forces) will be much smaller than before the war, however, and comsumption remains short of the prewar level.

Exports this year are coming almost exclusively from Yugoslavia and Rumania, and consist mostly of corn. Corn is also being used to bolster up urban grain supplies. In Yugoslavia, the bread ration of 250 grams daily for the normal urban consumer, which prior to November 24, 1947, officially contained wheat flour only, must now include 25 percent corn. In Rumania, the normal consumer bread or cornmeal ration of 250 grams daily was made up in November 1947 of bread four times and cornmeal three times a week and in January 1948 of bread once and cornmeal six times a week.

The surplus from Yugoslavia and Rumania will be partly offset by a deficit in Bulgaria and perhaps Hungary. Substantial grain imports have been shipped or are promised to Bulgaria where the bread ration for normal consumers in urban areas has been 300 grams daily since June 1947, as compared with 500 grams in the period July-December 1946, 420 grams in January-March 1947 and 370 grams in the next two months. Hungary has been stretching its food grain supplies by admixing 20 percent corn flour in bread and re-instituting corn days (8 in November 1947). However, normal consumer bread and flour rations, which, in bread equivalent, were reduced from about 235 to less than 200 grams daily in June 1947, increased to nearly 300 grams in August, and then again reduced to some 250 grams in October, can probably not be maintained at the present level without the help of imports.

Summary

To sum up, food consumption levels, already below prewar in 1946-47, are even lower at present in a large number of European countries, and have shown littl or no improvement during the past year in many of the others. While the farm population in most parts of Europe continues to eat about as well as before the war, the nonfarm population is now getting a daily average of between 2,500 and 2,900 calories in Scandinavia, the British Isles, Belgium and Switzerland; between 2,100 can 2,500 calories in the Netherlands, France, Austria, Czechoslovakia, Poland, Finland, Portugal, Greece and the Danube Basin countries; 2,000 calories or more in Italy; and close to 2,000 calories in Germany and Spain.

Prospects of maintaining current consumption levels during the first half of 1948 are precarious. Controlled stocks generally have been dangerously small for some time, imports alone will not suffice to cover ration requirements, and food on farms is unusually difficult to collect this year not only because of the greater food shortage which stimulates hoarding and black market activities but also because of the heavy drop in feed supplies as a result of the drought which stimulates the feeding to livestock of grains and potatoes that could be used for human food. Unless collections or imports are larger than those now in sight, some further downward adjustment of rations may take place before the next harvest.

Production outlook for 1948-49

The outlook for the coming crop is much better than it was a year ago. But even with favorable weather conditions in the next six months, output is not likely to reach prewar levels. Labor and draft power are still short in many parts of Europe, fertilizer supplies are not yet back to prewar in some countries, agriculture especially in the eastern half of the Continent continues to feel the effects of war losses, occupation, population transfers and land reforms, and farmers generally are still without much incentive to increase food crop production, as a result of continuing price maladjustments, lack of confidence in the currency and scarcitied of consumer as well as producer goods. Efforts to expand acreage this season have also been hampered by the prolongation of last summer's drought well into the fall in much of Europe. However, fairly mild weather for some time after the drought was broken permitted farmers to make up some lost ground. In a number of countries more land was sown in the fall of 1947 than in the fall of 1946, and throughout the Continent crop conditions at present, in sharp contrast to a year ago when heavy winterkill had already destroyed a large part of the fall-sown plantings, appear to be reasonably good.

Even in the event that present prospects for a considerable increase in food production materialize, Europe, as before the war, will be heavily dependent on imports. In prewar times Europe imported about one-sixth of its food supply, though in those times the surplus-producing eastern portion of the Continent could partly fill the deficit of the western portion. Net exports from southeastern Europe and Poland in 1934-38 included an annual average of about 3.7 million long tons of grain, 225,000 long tons of dry legumes, 220,000 tons of meat and slaughter fats (mainly on the hoof), over 65,000 long tons of eggs and substantial quantities of other foodstuffs, and shipments from eastern to western Germany were also large. Since the war, production in these areas has been so low that little could have been exported to the west even if reparations had not been asked and occupation forces had not had to be fed. Moreover, the population in western, northern and Mediterranean Europe plus Austria and the three western zones of Germany has increased from around 260 million in 1936 to some 280 million at present. Unless food production in these regions approaches the prewar average, imports from non-European sources will need to be larger in 1948-49 than before the war merely in order to maintain the low 1947-48 consumption levels.

SOVIET UNION

The outstanding features of the agricultural and food situation in the Soviet Union at the beginning of 1948 are (1) significantly increased agricultural production due to a better harvest in 1947 than in 1946, or in the war period; (2) formal abolition December 16, 1947 of the rationing system for foodstuffs which prevailed since the summer of 1941; (3) a revival of Russian grain exports.

With a larger acreage planted to grains, some improvement in farm practices which deteriorated during the war and particularly with more favorable weather conditions than in 1946 the production of grains increased in 1947. But the officially announced 58 percent increase in 1947 grain production (no absolute figures are given) cannot be reconciled with other available information and, in any event, refers, in accordance with the Soviet crop estimating procedure, to the so-called "biological" or unharvested crop, which does not take account of large harvesting losses common in the Soviet Union.

The 1947 grain crop is estimated at about 20 percent below the pre-war average. However, due to a rigorous system of collections, the deliveries to the government from the 1947 harvest were reported as approximately equal to the best of prewar years. With severe rationing maintained until almost the end of 1947, the government accumulated substantial supplies of grain to make possible derationing, stockpiling and exports. Considerable increases were also reported in the production of potatoes, sunflower-seeds, which is the main source of vegetable oil, and particularly of sugar beets. Higher cotton production, exceeding that of 1946 by one-fifth, should help not only the textile industry but also increase the supply of vegetable oil.

The abolition of rationing was accompanied by a drastic devaluation of the currency diminishing the purchasing power of the population. Derationing, so far, however, has been by no means complete. Although the card or coupon system has been abolished, limitation on purchases exists, and, because of inadequate distribution facilities, this acts as an effective rationing device. It is less fair than the card system since it penalizes large families or those whose members are all working and have little time for shopping, which is a highly time-consuming process in the Soviet Union.

The dual price system with sharp differences between the exceedingly high "commercial" and lower ration prices has been abolished in the state stores, which constitute the principal retail outlet in the Soviet Union. Higher prices, however, still prevail in the so-called cooperative stores, which are actually also contolled by the government, and in the markets to which the peasants from the collective farms in the vicinity of the cities bring their produce to sell at uncontrolled prices determined by conditions of supply and demand. Some products unobtainable in state stores can only be purchased at higher prices in cooperative stores or in the markets.

In fixing the new derationed prices in state stores, the country was divided into three broad geographic regions, each region having the same price level for a particular product. The price of bread, for instance, is the same in Moscow, Leningrad, Irkutsk (eastern Siberia) and Baku (Transcaucasia). The price level is highest in the deficit areas of the far north and far east, lower in the remaining deficit areas and lowest as a rule in the surplus producing areas.

New derationed prices in state stores were reduced by 10-12 percent as compared with former ration prices for grain products: bread, flour, macaroni, grits. Prices of other products were set at or above the level of former ration prices, but substantially below the very high non-ration so-called "commercial" prices in state stores, which for the most part were out of reach of the average consumer. Nevertheless, as Table 1 shows, the new prices in state stores are still more than double or treble pre-war prices. The high price of bread, the principal article of the Russian diet, is particularly burdensome to the average consumer whose earning have not risen anywhere near the same proportion. Thus it appears that high prices and the operation of the distributive system combine to impose a serious check on derationed consumption in the Soviet Union.

During the past few months the Soviet Government has developed a significant grain export program. Export commitments from the 1947 harvest made by the Soviet Government through early January are shown in Table 2. Breadgrains (wheat and rye) account for a little more than half of the export program and the rest are coarse grains (oats, barley and corn). In the case of some countries, such as Poland and Rumania, the quantities indicated were already shipped, while in the case of others, shipments had only begun in the latter part of 1947 or were to begin in 1948 and continue through the summer.

Actual or prospective exports to Soviet-contolled Poland, Rumania and Bulgaria, where Soviet troops were or are still stationed and live on indigenous food supplies, amount to nearly 670,000 long tons, with the rest going to Great Britain, Czechoslovakia, Finland and the Scandinavian countries.

Soviet grain export commitments, specifying the commodities to be obtained in exchange, are revealed separately for each country as bilateral trade agreements are conclude by the Soviet Union. In view of the fact that trade negotiations with some countries, such as Belgium, for instance, are still in progress, or may begin in the ensuing months, the Soviet grain export program cannot be considered complete as yet, and may still be increased.

The present Soviet grain export program falls considerably below shipments during the best interwar years, such as 1930-31 and 1931-32 and are only a small percentage of exports in the period before the first world war It compares favorably, however, with average exports during the interwar period. (See table 3).

Table 1. SOVIET UNION: Prices of specified foodstuffs in Moscow State Stores, January 1, 1940 and December 16, 1947.

ITEM	Jan. 1, 1940	Dec. 16, 1947 1/	Percent Dec. 16, 1947 is of Jan. 1, 1940
	Rubles per kilogram 2/	Rubles per kilogram 2/	Percent
Bread, black, rye	0.85	3.00	353
Bread, white, wheat	1.70	4.40	259
Buckwheat grits	3/ 4.50	12.00	267
Shelled millet grits	3/ 3.00	6.00	200
Beef	10.50	30.00	286
Butter	3/ 28.00	64.00	229
Milk 4/	2.10	3.00-4.00	143-190
Sunflower oil	15.65	30.00	192
Sugar	3.80	15.60	395

1/ Derationed.

2/ Prior to December 16, 1947, 12 rubles=$1.00 U. S. currency at the diplomatic rate of exchange and since that date 8 rubles=$1.00. Kilogram=2.2046 pounds.

3/ January 1, 1941.

4/ Per liter.

Table 2. SOVIET UNION: Grain Export Commitments from 1947 Harvest

Country of destination	Breadgrains 1/	Coarse Grains 2/	All grains
	1,000 long tons of 2,240 pounds	1,000 long tons of 2,240 pounds	1,000 long tons of 2,240 pounds
Great Britain	-	738	738
Czechoslovakia	394	197	591
Poland	256	39	492 3/
Finland	167	84	290 4/
Norway	167	20	187
Denmark	59	39	98
Bulgaria	78	20	98
Rumania	59	20	79
Sweden	64	-	64
TOTAL	1,244	1,157	2,637 5/

1/ Wheat and rye.

2/ Oats, barley, corn.

3/ Includes 197,000 long tons undistributed.

4/ " 39,000 " " " .

5/ " 236,000 " " " .

Table 3. SOVIET UNION: Export of Breadgrains, Coarse grains and all Grains, averages 1909-13 and 1923-27 to 1933-37

Year Beginning July 1	Breadgrains	Coarse grains	All grains
	1,000 long tons	1,000 long tons	1,000 long tons
Average			
1909-1913	5,300	5,426	10,726
1923-1927	983	497	1,480
1928-1932	1,581	823	2,404
1933-1937	754	450	1,184

MIDDLE EAST

The food situation in the Middle East (Turkey, Afghanistan, Iran, Iraq, Syria, Lebanon, Palestine, Transjordan, Saudi, Arabia and Egypt) is less favorable than in the two preceding years because of the adverse effect of the weather on the grain crops, the principal food. Before the war, the region, in average crop years, was self-sufficient in most foodstuffs, though at a low level of consumption, and had an exportable surplus of dried and citrus fruits, olive oil, nuts, rice, and some wheat. Population increases and poorer farm practices since the war, especially in Egypt where high yields depend heavily on fertilizer imports, have disturbed the precarious balance of food production and needs.

The 1947 wheat crop was below the prewar average throughout the region, except for Afghanistan and Turkey, where it was above average but below last year. Rice production was about average, except for Egypt, where a bumper crop was harvested. Egypt, not a large rice eating country, wants to export most of her crop, if in return she can obtain an equivalent amount of badly needed wheat and coarse grains. Turkey is the only country with surpluses of wheat. The exportable surplus in Turkey is less than last year, because of low yields. Iraq, Syria, Lebanon, Palestine, and Egypt are critically short of wheat and barley to meet the needs of their urban populations until the new harvest, July 1948.

The food shortages have been seriously aggravated in all the countries by inflationary prices, inadequate controls over distribution, and shortage of foreign exchange. In Syria, Lebanon, and Iraq, these problems have been particularly acute. The controls were so inadequate and price differentials between neighboring countries so wide, that grain, especially barley, was exported, or smuggled out of the countries, or hoarded for later profit on the soaring markets. Imports of wheat and other grains will be required before the next harvest in these countries and in Egypt in order to meet basic food needs, even though efforts are being made to use what grains are available to the maximum.

THE FAR EAST

Summary

Total food production in the Far East during the 1947-48 consumption year is slightly better than in the previous year, but has not yet been restored to its prewar volume. In the Philippines, Korea, Netherlands Indies and China, domestic food supplies are above 1946-47. Some increase in production is also reported in the surplus producing areas of Burma and Siam. On the other hand, food shortages are about as large as last year in Japan, Malaya, Ceylon and the coastal cities of China. In India, the rice crop is believed to be slightly smaller than the 1946-47 crop but indications are that the crops of millets and pulses are larger and conditions for the new wheat and barley crops, in the early growing season, are favorable.

The improvement in Asiatic crop production may result in some decline in import requirements for 1948 as compared with 1947. However, much of the improvement has been in the interior of China and other areas where foods are produced primarily for local consumption, so that the demand for imports in the deficit areas will be nearly as great as in 1947. During 1947 the deficit countries in this area were net importers of about 8 million short tons of food of which only 1.5 million tons came from the surplus producing areas of the Far East. (See following table). In prewar years, the Far East was a net exporter of nearly 5 million tons of food products annually. This change in the over-all food position of the Far East has reduced the supplies of exportable foods available to other deficit producing areas by about 11 million tons.

The decline in the exportable supplies of foods from this area results from (1) the sharp decline in rice production of Burma, Siam, and French Indo-China during the Japanese occupation, (2) the cutting off of exportable supplies of soybeans from Manchuria, (3) the sharp reduction in the production of sugar, in the Philippines, Formosa, and the Netherlands Indies, (4) the slow return of the production of palm oils in the Netherlands Indies and Malaya, and (5) the need for additional quantities of food products for domestic consumption by a growing population. A substantial recovery in the production of several of these products is in prospect eventually but population growth and the change in the political position of many countries is likely to prevent exports from this area from again becoming as large as they were in prewar.

Japan

Japan again experienced a favorable crop season and 1947 production of basic food crops (rice, wheat, barley, naked barley, white potatoes and sweetpotatoes) was about as large as in 1946 when measured in terms of calories. While domestic production falls far short of supplying the ration requirements of the growing urban population, a more rigorous system of food collections has been adopted this year, which is helping to equalize consumption between rural and urban populations and to cut down the amount of food moving through the black markets. Collections of summer crops have already exceeded the quota and rice collections

Principal Food Exports and Imports of Leading Far Eastern Countries
Prewar Average and 1947

Commodity and Country	Average 1935-39	1947
	1,000 short tons	1,000 short tons
EXPORTS:		
RICE		
Burma	3,344	1/ 950
Siam	1,516	1/ 440
French Indo-China	1,508	1/ 95
Korea	1,126	0
Formosa	621	0
Total	8,115	1,485
Shipments within area	6,115	1,485
Exports outside area	2,000	1/ 2/ -360
SUGAR (raw)		
Philippines	888	-15
Netherlands Indies	1,213	30
Formosa	1,055	0
Total	3,156	15
Shipments within area	1,862	0
Exports outside area	1,294	15
PEANUTS		
India	826	120
Netherlands Indies	21	0
China and Manchuria	301	80
Total	1,148	200
Shipments within area	3/	75
Exports outside area	1,148	125
SOYBEANS		
Manchuria and China	2,273	70
Formosa (Taiwan)	441	0
Netherlands Indies	8	0
Total	2,722	70
Shipments within area	862	20
Exports outside area	1,860	50
Total Exports	6,302	-190
IMPORTS:		
WHEAT 4/, All Countries	1,565	3,944
COARSE GRAINS, All Countries	15	2,257
Total Imports	1,580	6,201
Net Exports of above Commodities	4,722	-6,371

1/ Allocations. 2/ Net Imports. 3/ Negligible.
4/ Including flour in terms of wheat.

through January 10 were 79 percent of the larger goal and were somewhat improved over the same period in the 1946-47 season. Despite these steps, however, Japan will need 2 million long tons of food, if the present ration of basic foods of 355 grams (1,246 calories) of polished rice or its equivalent is to be met throughout the season.

In order to relieve the cereal shortage, a larger quantity of foods other than cereals have been programmed for shipment to Japan. These are used partially as substitutes in the basic ration and partly to relieve the general shortage. These other products, consisting mainly of sugar, soya flour, pulse crops, dried fruits, and dried skimmed milk, will be equivalent to about 750 to 800 thousand long tons of grain. In addition, Japan received approximately 850,000 tons of cereals during the last half of 1947. It now appears probable that the additional shipments programmed for 1948 will be about sufficient to maintain the present basic ration but planned increases in the rations for persons doing heavy work and for children have been postponedfor the current season.

Steps are being taken to increase Japanese food production, but agricultural output already is very intensive and is devoted largely to food products so that the amount of expansion above prewar levels is limited. The shortage of chemical fertilizers is the most important single factor retarding recovery but the application of fertilizers before the war was unusually heavy and yields per acre were among the highest in the world. Any expansion in acreage involves extensive reclamation projects so that increases in the food supply resulting from larger acreage will be very gradual. The fish catch is also expanding but has not yet increased enough to provide prewar levels of fish consumption. Some further expansion of the fish catch in existing areas is possible but the areas available for fishing have been severely restricted by international agreement and any considerable expansion in the fish catch is dependent upon an increase in the available fishing area.

South Korea

The rice crop of South Korea in 1947 of about 2,300,000 short tons was 17 percent above the 1946 harvest, but other grain crops were sharply reduced by unfavorable weather and total grain production was only slightly larger than in 1946. Efforts were made to expand the acreage of white potatoes and sweetpotatoes in 1947, but total output of these two crops of 375,000 short tons was only 4 percent above 1946. The increase in all food production was hardly equal to the increase in population, particularly the non-farm population which was sharply increased in 1947 by the influx of people from North Korea.

Officials estimate that 1,300,000 short tons of food-grains will be needed to meet the basic food ration of 1,300 calories for the present rationed population of 8,000,000. A collection quota of 900,000 tons of indigenous grains has been set, leaving a deficit of 400,000 tons to be imported from the outside. From January to December, nearly 300,000 tons of grain were shipped in to Korea and additional quantities of grains and other products are programmed for shipment in the first half of 1948. Collections also have proceeded much more satisfactorily than a year earlier. The Food Administration states that as of the first of the year about 90 percent of the quota of grain collections had been met, compared with last year's collection of only 50 percent on the corresponding date. It therefore appears that Korea will be able to meet her food requirements during the current crop year.

The possibility of South Korea being self-sufficient in food after the current year is largely dependent upon normal weather conditions and increased supplies of fertilizer. For several years fertilizer supplies have been extremely small, limiting the amount of double cropping and reducing yields generally. Current indications are that supplies of ammonium nitrates, the most urgently needed ingredient, will be ample in 1948 to permit an expansion in planted acreage. If weather conditions are normal during the next growing season, food supplies after the beginning of the rice year, in December 1948, should be sufficient to meet the current rations and might permit some increase in the level of food consumption.

China

Larger crops of rice, wheat, barley, soybeans, peanuts, and sweetpotatoes have increased China's food supply for the 1947-48 season and total supplies, in terms of calories, are about equal to the prewar 1931-37 average. However, distribution difficulties are created by China's large area, inadequate transportation, civil war, and economic instability. These factors will result in more extensive food shortages in certain deficit regions than normally would be expected with the overall crop production of 1947. The situation is potentially more dangerous in most of these regions because stocks are low.

Due largely to the lack of an adequate transportation system, the coastal cities of China in normal times have used a considerable quantity of wheat and rice obtained from abroad and additional quantities of foodstuffs obtained from Manchuria, to which access now is lacking. In prewar annual food supplies from abroad and from Manchuria averaged about 1.9 million short tons.

The shortage in the densely populated coastal regions is now aggravated by inflation and the shortage of consumer goods used to encourage the marketing of food products from the interior. Distribution also is hindered by large military requisitions, a crowding of present transportation facilities with the movement of military supplies and by blockades which prevent local crop surpluses being moved to deficit areas.

During the food consumption year 1946-47, China imported about 800,000 tons of foodstuffs. Food shortages in several areas lead to suffering and fears of shortages brought about rice riots in Shanghai and other cities during the spring. Throughout most of the year, however, the coastal cities had enough of the basic foodstuffs to maintain approximately the normal low average consumption.

Imports of foodstuffs during the last half of 1947 were less than in the last half of 1946 so that the beginning of 1948 finds food reserves in importing areas at low levels. The Chinese Government plans to set-up rationing in 6 major cities. The food to be rationed from January to August will total 250,000 tons of which 125,000 tons is to be appropriated from American Food Relief supplies and the remainder will be supplied by the government. The amount and price to be rationed are now being determined by municipal authorities.

Manchuria formerly supplied North China with 330,000 to 440,000 tons of foodstuffs, but little or no shipments are likely from this area this winter. In Formosa, indications are that the rice production reached 1.3 million tons; this is only 110,000 tons below the prewar level. In prewar about 45 percent of Formosa's rice crop was exported to Japan; some shipments to China's cities are likely this year.

India

Acreage and production estimates of crops for harvest, June 1947 - July 1948, in India have not yet been issued but general indications are that about a normal production has been attained on a slightly smaller acreage than was planted in 1946-47. Because of the relatively high prices of non-food cash crops there was some shift in acreage to these crops and acreage planted in the Punjab is reported to have been reduced because of the mass migration of population in that area. Crop conditions for 1947-48 harvest generally are reported to have been normal except in the Madras area where the shortage of November-December rains has adversely affected rice and other winter crops. In areas where millets are the major crop, conditions are reported to be somewhat better than a year ago and early conditions for the wheat and barley crop to be harvested this spring have been better than in 1947 when production was much below average.

If average yields are attained during the current season, total food supplies should be at least equal to the crop harvested last year. During 1946-47 the production of cereals and pulses, which provide 75 to 80 percent of the indigenous food supply, was approximately the same as for 1945-46 and the prewar average when it amounted to 60 million long tons. Imports of grains into India during the calendar year 1947 totalled approximately 2.3 million long tons, or just slightly larger than prewar imports. Since it is estimated that India's population has increased at least 10 percent during the past 10 years, average per capita food consumption was somewhat below prewar and most of the decline has occurred in the urban areas. During 1947 it was necessary to cut rations in the larger cities 2 or 3 times. Just before harvest of the 1947 fall crops they were below the minimum subsistence levels, and even these low levels were not fully met in all areas.

The availability of the 1947 crops has temporarily relieved the tight food situation but India's ultimate food position in 1948 will be determined by the size of the current harvest and the success of the program to narrow the scope of its food grain controls. Procurement of specified local production of the most important food grains has been delegated to the Provinces and States who will continue to collect specified portions of local production. Collections may be encouraged by increases in prices which may be passed on to consumers. Imports for allocation to the Provinces and States at prices generally less than cost will be continued, but on a reduced scale, and only two-thirds of the subsidy entailed through distribution below cost will be borne by the Central Government. Rationed distribution of imported and procurred food grains will be continued only in the most seriously deficit areas. Imports will be smaller and will be partly set aside as a grain reserve.

Various causes have brought about this change in policy. Since the partition of India, August 15, 1947, very little foodgrains have been obtainable from the surplus provinces now in Pakistan. In past years, the area in Pakistan had 18 percent of the population but produced 26 percent of the foodstuffs. Imports from abroad have been difficult to obtain, and the increasing cost has put a heavy drain on the reserves of foreign exchange, thus jeopardising India's industrialization plans and land development schemes.

Burma, Siam and French Indo-China

The expansion in rice acreage in the surplus producing countries of southeast Asia (Burma, Siam and French Indo-China) from the wartime low has been very gradual and the total area planted for harvest in 1947-48 was still less than 70 percent of prewar. Conditions for the current crop, however, have been much better than in the last 2 years and production is tentatively estimated at 9,909,000 short tons of milled rice. This is an increase in production of 1.8 million tons over last years crop and even if allowance is made for an expansion in domestic consumption, exportable supplies during 1948 will be about 2.4 million short tons compared with about 1.5 in 1947.

Rice Production and Utilization in Burma, Siam and French Indo-China, Average 1935-36/1939-40 and Annually 1945-46 to 1947-48

Year	Acreage	Production		Exports	Available for consumption
		Rough	Milled		
	1,000 acres	Mil.bu.	1,000 s.t.	1,000 short tons	
1935-36/1939-40	33,780	878	13,829	6,234	7,595
1945-46	21,670	474	7,466	1,071	6,394
1946-47	22,000	522	8,221	1/ 1,502	6,719
1947-48	23,300	622	9,800	2/ 2,140	7,660

1/ Allocations.

2/ Estimated exportable surplus.

The most rapid recovery has been in Burma where the area planted to rice has expanded from less than 7 million acres in 1935 to 9 million acres in 1947. In Siam, a severe summer drought reduced the area planted in 1946 below that planted in 1945 and deficient rainfall during the 1947 planting season also prevented the full sowing of the intended acreage.

The struggle between the French Government and the Indo-China Government of Viet Nam since the expulsion of the Japanese is the most significant factor in the French Indo-China rice situation of the past 2 years. As a result of this conflict, the movement of rice from the interior is seriously handicapped and acreage has declined steadily. Weather conditions for the 1947-48 crop, however, have been favorable and the harvest is expected to be slightly higher than in 1946-47.

If a satisfactory political settlement is achieved in 1948, exportable supplies are sufficient to provide larger exports of rice than in either of the past 2 years. The amount finally exported may also depend upon the movement from surplus to deficit areas within French Indo-China.

The Philippines

The recovery of Philippine agricultural production has been given a setback by the extensive damage of recent typhoons. Early reports indicate that this years rice crop has been reduced by about 6 percent and is now estimated to be only slightly larger than the 1946-47 crop. Coconut groves were also seriously damaged and copra production during 1948 may be 15 percent below 1947 when a record of over one million long tons was exported. Sugar production is improving rapidly and may be around 400,000 tons in 1948 of which about 200,000 tons may be available for export. Despite the loss from storms, food production for domestic consumption in 1948 will be larger than in 1947. The vegetable loss due to typhoons is estimated at 5 percent but much of it can be replanted. Fruit tree damage has been estimated at 3 percent. If the Islands can import the average quantities of flour, milk products, canned fish, meat, and possibly some additional quantities of rice in the summer of 1948, they will be able to maintain the per capita consumption level of last year.

Netherlands Indies

The reoccupation of much of the interior has improved the food situation in the Dutch-held cities materially. They are now able to draw on a more extensive hinter-land and prices have declined substantially.

Some improvement has occurred in the economic life of the archipelago and the rice crop is reported to be in fair condition in most sections of Java. Production of both rice and other foods, however, is considerably smaller than before the war, owing to plant pests and insufficient irrigation. Many of the mills of the important rice districts of West Java were destroyed or seriously damaged, thus greatly reducing the milling capacity.

Copra production reached a new low in September because of the low prices paid to producers. The continued high price of rice and the scarcity of consumer goods in the copra districts have caused farmers to divert their attention to the production of food crops. However, prices of copra have been raised and some rice has been imported from outside sources at reduced prices. As a result of these measures, a substantial increase in copra production is expected. Output of copra in 1948 is estimated at about 300,000 tons, of which 200,000 to 250,000 tons will be exported. The sugar production will be about 100,000 tons, the greater part of which will be available for export.

Ceylon and Malaya

Ceylon and Malaya are areas producing specialty crops such as tea, rubber, and coconut products and import the major part of their food supplies. These countries attempted to develop their indigenous food production during and after the war years but are still in a position to supply only a small part of their food needs. During the year July 1946 to June 1947, Ceylon imported 300,000 short tons of rice and 225,000 tons of wheat, while Malaya imported 315,000 tons of rice and 300,000 tons of wheat. Even with these imports, consumption was at a bare subsistence level and much below prewar.

In Ceylon, floods during August reduced the 1947 rice crop, which is the outstanding food crop of this area, to 185,000 short tons or slightly below the crop of the previous year. In Malaya, however, there has been considerable expansion in acreage and the 1947 crop of 406,000 tons is about 25 percent above last year and only slightly below the prewar average.

BRITISH DOMINIONS

Canada

Canada's food surpluses from 1947 production will be somewhat below those of last year. The 1947 Canadian wheat crop is estimated at 341 million bushels as compared with 414 million bushels in 1946. Wheat surpluses available for export (principally to the United Kingdom) during the 1947-48 crop year, after making allowances for carryover, are expected to total about 200 million bushels by the end of July 1948 as compared with 242 million bushels during the previous year. This estimate is considered a generous one in view of the small 1947 crop of coarse grains, Canadian farmers' efforts to maintain livestock production, and the reduction in wheat allocation for domestic use. It is, however, questionable whether or not this program can be maintained without considerable decline in carry-over stocks at the end of the fiscal year as compared with 1947. Exports of livestock products in 1948 will be smaller because of declining production and smaller British purchases.

Canadian exports of livestock products as well as wheat exports have been going largely to the United Kingdom and other European countries in which there has been an acute shortage of dollars. At the same time, Canadian imports from the United States were tending to increase. This situation created a shortage of dollars in Canada that has adversely affected both Canadian imports and exports.

To conserve a dwindling supply of dollars, in December the Canadian Government found it necessary to restrict imports of foodstuffs, such as fruits and vegetables which came largely from the United States. Some commodities which were placed under import quotas or excluded altogether showed sharp price increases to domestic consumers.

Recent price rises in grains and changes in the British purchases have caused considerable uncertainty in the future livestock production program of Canada. The removal of price control on coarse grains on October 21 was followed by sharp rises in feedgrain prices and a reduction in livestock feed ratios because of the contracts with the United Kingdom at fixed prices. Recent negotiations with the United Kingdom have been announced which has substantially increased prices of livestock products purchased and relieves the unfavorable price situation to some extent. The new bacon contract calls for delivery of 195 million pounds in 1948 compared with provision in the 1947 contract for a goal of 350 million pounds or not less than 265 million pounds. The new contract price for bacon is $36.00 per hundred pounds compared with $29.00 in 1947. The price of best beef grades will be $3.25 higher per hundred pounds, cheese 5 cents higher per pound and eggs 5 cents higher per dozen during the spring and 3-1/2 cents higher than the fall prices paid during 1947.

During 1947 ceiling prices on meats were removed in Canada but, following substantial price rises, the Canadian Government, on January 15, 1948, took action to reimpose ceilings on retail prices of meat and to continue price ceilings on other food commodities such as sugar, molasses, oils, and fats and certain canned fruits and vegetables. As a result of the latter action, meat prices have been reestablished at levels in proportion to the new United Kingdom contract prices based on advances in feed prices and other producers costs. Wholesale and retail prices of pork products will be considerably above the level prevailing during most of 1947, but less than prices reported during the last weeks of December 1947 and the first weeks of January 1948.

Although the livestock population on June 1947 was estimated at about 600,000 more animals than on January 1, 1946, considerable liquidation of livestock took place following the removal of price controls on coarse grains. It is too early yet to determine the effect of recent price changes on livestock production but, in view of the recent liquidation, it is likely that meat production in Canada will be somewhat smaller in 1948 than in 1947.

Australia

Australia is at the present time figuring prominently in the world food situation from the cereal supply standpoint. The 1947-48 wheat crop just harvested is officially estimated at 226 million bushels and, provided this figure is not further reduced as a result of the rainfall, damage encountered during the recent harvest period will exceed by a substantial amount the size of any previous wheat crop produced in the country's history. After fulfillment of Australia's domestic requirements of 80 million bushels, a surplus of some 140 million bushels is expected to be available for export to the United Kingdom and other deficit areas such as, India, France, Italy and South Africa. Under purchase arrangements, minimum amounts of 80 million and 25 million bushels of wheat have been consigned to United Kingdom and India respectively, with the proviso that additional amounts of 5 million bushels might be available for further purchase by each of these countries, should the final calculation of Australia's record wheat crop exceed 210 million bushels.

Aside from excellent grain crops, pasture conditions have been especially favorable in all the Australian provinces during the latter months of 1947. Livestock and dairy herds have been well maintained and as a result dairy production has exceeded the levels of several years. Total meat output in 1947 has been the highest since 1944. All meats, surplus to Australian domestic and military requirements are subject to the disposition of the British Ministry of Food under the terms of the Australian-United Kingdom food contracts effective until October 1948.

Negotiations are now in progress, however, for the purpose of revising the food purchase agreements with the United Kingdom. Special emphasis is being given to price reviews as a possibility of increasing crop and livestock production of the foodstuffs most needed in the United Kingdom. Inquiry is being made into the possibility of a larger development of beef and hog production, particularly in Northern Queensland and Western and Northern Australia, as an additional source of supplementing United Kingdom supplies.

New Zealand

Weather conditions to date point to a good output of meat and dairy products for 1948. Increased allocations of fertilizers have improved pasture lands and aided the expansion of both green and root fodder crops. Predictions are that New Zealand's production target of 213,000 short tons of butterfat will be realized. Butter production increased 10 percent during the first quarter of the 1947-48 season as compared to the same period of 1946-47. Total meat production forecasts are slightly below the 627,000 ton figure of the year ending September 1947. Principal declines are anticipated in beef and veal supplies while the output of pork and pork products is expected to be somewhat higher than 1947.

Greater efficiency in production of dairy and meat products is the keynote in New Zealand's program of furnishing foodstuffs for Britain during 1948. Markets for New Zealand produce in United Kingdom are assured until 1950 and may extended to 1952. Price arrangements with the British Ministry of Food are not being reviewed in an effort to meet the increased costs to producers and thus maintain 1948 exportable surpluses of meats and dairy products at present levels.

Union of South Africa

Current prospects for such primary food supplies as wheat, corn, peanuts, fruits, and livestock products are very favorable for 1947-48. A 4 percent increase this year in wheat acreage as compared to 1946-47 is expected to result in an estimated crop of 19,000,000 bushels which should satisfy the major portion of South Africa's domestic consumption needs. Even with the employment of strict rationing controls during 1946-47, wheat imports were necessary to finish out the 1947 year prior to the harvesting of the new crop. The 1946-47 corn crop yielded especially well and was more than ample to feed the native population as well as provide a surplus for feedstuffs. The 1948 hog slaughterings, therefore, are expected to be some 10 percent greater than in 1947.

One of the most noteworthy increases in food crops, was the 1946-47 crop of peanuts which totalled around 35,000 tons as compared with 12,500 tons in the previous year. By government-guaranteed price incentives, encouragement is being given to a still greater production of oil-bearing crops, and as a result, it is expected that the peanut crop for 1947-48 may reach 70,000 tons. Steps are also being taken by the South African Government to increase the cultivation of pulses in an effort to supply Britain's great demand.

Exports of foodstuffs are expected to be limited pretty largely to fruit, eggs, pulses and potatoes, with practically all shipments consigned to the United Kingdom. Peanuts are being supplied for seed purposes to the British East Africa area. Under provisions of the South African loan agreement to the United Kingdom, the British Ministry of Food has entered into a contract arrangement for the purchase of specified amounts of citrus and deciduous fruit over a period of three years at an annual value of approximately $25,000,000. Other Union food items, such as processed and dried fruits, eggs, pulses and potatoes will be made available in considerable quantities to private British trading interests.

LATIN AMERICA

Summary

Favorable crop conditions in 1947 throughout most of South and Central America, Mexico, and the Caribbean Islands have resulted in average or better than average crops, continuing the upward trends of recent years. Outlook for food production during the current year is generally favorable, with indications that the levels reached in 1947 may in most cases be equalled or exceeded. In Argentina, the principal food exporter of Latin America, there were some reductions in area planted to grains and flaxseed, reflecting the farmer's reaction to the Government's price policies. In spite of the reduction in acreage of wheat, exceptionally high yields per acre are expected to provide a better than average crop of 6,800,000 short tons. The corn crop is also showing improvement over earlier predictions, but the other small grains and flaxseed apparently have not responded significantly to recent favorable weather.

Many European countries and several in Latin America continue looking to Argentina for grain and meat supplies during the year, to fill commitments made under bilateral agreements with that country. Trade circles estimate Argentina's 1948 grain available for export at about 3,000,000 short tons of wheat, a little over 5,000,000 short tons of corn, including surpluses from the old crop, and about 550,000 tons of barley. Prospects for large available supplies of meat, especially pork, are favorable. The movement of these surpluses into export channels, however, depends upon continued improvement in the coordination of transportation and port facilities in order to maintain on a sustained basis the exceptionally high record attained in December when 1,092,000 short tons of the five leading grains were exported. Some adjustment of prices to those prevailing on the world market, and clearing up of exchange difficulties are also of major importance to the successful fulfillment of contracts.

Sugar exports from Cuba in 1947 reached a record high of 5,736.000 short tons. Another large crop is predicted for 1948 but the disposition of it at favorable prices may not be easy. The United States will take about 3,200,000 short tons but Cuba may still find herself with a large surplus for which she will have to find markets. This surplus, together with the surpluses from the other Caribbean Islands, Mexico and Peru might result in some decline in the world market price for sugar.

Banana exports from Latin America are steadily progressing back to the prewar average of 1934-38 when some 88,000,000 stems were exported. If the present trend continues, exports should range between 75,000,000 to 80,000,000 stems for 1948.

During 1947, the chronic shortages of the important basic commodities wheat, flour, fats and oils persisted in most of the Latin American countries with the exception of Argentina. Rice shortages were also felt in some areas although surpluses were not disposed of in others largely because of failure to reach satisfactory financial arrangements. Latin American import requirements for wheat, flour, fats and oils in 1948 will not be materially different from those of 1947, except for continued gradual increases in response to the growth of city populations and maintenance of income levels. Brazil is experiencing shortages of wheat and flour which will likely make necessary some substitution of rice and corn to cover her wheat deficit, thus reducing the exportable quantity of these products.

Argentina

Argentina is self-sufficient or more than self-sufficient in most food products, and protects the domestic consumer against both high prices and shortages resulting from exports.

Argentine price policies and bilateral agreements for exhcnage of commodities have been the most significant factors during 1947 insofar as her exports are concerned. Under the buying and exporting policies of the I.A.P.I. (Argentine Trade Promotion Institute), the farmers receive fixed prices as established by the Institute, while the commodities are sold in the export market at the most advantageous prices which the Institute can negotiate. During 1947, in response to critical food shortages in many deficit countries not only in Europe but elsewhere in Latin America as well, export prices of Argentine corn and wheat mounted rapidly. At the year's end, sales of wheat were negotiated at prices equivalent to approximately $4.85 a bushel while corn went to $3.00 and above.

In the course of the past two years, Argentina had negotiated a series of bilateral commercial agreements with a number of countries involving the exchange of wheat, corn, and oil cake and meal for manufactured goods and industrial equipment needed by Argentina in the accomplishment of her five-year plan for industrial development. Countries with which agreements have been negotiated include France, Italy, Finland, Switzerland, Czechoslovakia, Bolivia, Ecuador, Peru, and Brazil. The treaty with Italy is rather typical. It provides, in brief, for the following exports of foodstuffs by Argentina for 1947: Wheat 440,000 short tons; rye 77,000; barley 165,000; corn 110,000; linseed oil 11,000; sunflower oil 28,000; lard 5,500; meat 13,000; and oil cake equivalent to three times the above amount of oils. The Argentine Government is to supply a revolving credit of 350 million pesos and private loans will probably make up another 350 million pesos for use by the Italian Government. Accounting against the revolving fund is presumably in terms of dollars. Italian goods arriving in Argentina will be credited against the loans, and Italy may continue indefinitely to purchase Argentine goods agreed upon so long as her debt does not exceed the 700 million pesos provided for in the agreement.

During the early part of the year, difficulties were encountered in fulfilling export commitments, largely because of internal transportation difficulties and congestion in the ports. More recently, these difficulties seem to have been overcome, at least in part, and the volume of export movement has been substantially increased. The monthly volume of total grain exports rose from about 491,000 short tons in July of 1947 to about 1,092,000 tons in December. The increase represented chiefly corn, which comprised about two-thirds of the total December exports.

Scanty rainfall during a part of the crop year, and producer dissatisfaction with prices received, have been instrumental in reducing acreage devoted to the 1947-48 grain and linseed crops below that of 1946-47. Higher yields resulting from favorable growing conditions during the latter part of the season, however, will tend to compensate for reduced wheat acreage. On the other hand, sunflower sowings may be slightly higher than last year when 759,000 short tons of seed were produced.

Argentina: Production and trade of important food products in 1936-40, 1947 and estimated production and exports for 1948.

Commodity	Production			Exports		
	Average 1936-40	1946-47	Estimated 1947-48	Average 1936-40	1947	Prospective 1948
	1,000 short tons			1,000 short tons		
Wheat	6,653	6,189	6,800	3,619	2,455	3,000
Corn	8,456	6,410	6,000	5,551	2,610	5,000 4/
Oats	802	755	630	340	77	135
Barley	542	1,291	850	300	669	550
Rye	273	609	386	131	273	100
Flaxseed	1,667	1,140	850	1,657	0	
Flaxseed oil				~~360~~	206 3/	
Beef & Veal	1,919 1/			650	689	
Pork	122 1/2/			26 2/	33 2/	
Lamb & Mutton	189 1/			54	188	
Meat (Total)	2,230 1/	2,800 1/		730	910	

Office of Foreign Agricultural Relations, January 1948.
1/ Calendar year.
2/ Excludes farm production of pork for farm consumption.
3/ January - September.
4/ Includes 1.7 to 2.2 million tons old corn.

Current sales of beef to countries other than those affiliated with the British Ministry of food bulk purchase agreement are noticeably low. According to trade estimates, about half of the 22 percent of the exportable surplus uncommitted to the British Ministry of food remains unsold. There has been a recent upswing in hog breeding which probably will not be felt in market receipts until about March of 1948. Preliminary estimates place hog marketings for the year 1948 at about twice those for 1947 but still substantially below the 3,423,886 hogs marketed in 1945. Frigorifico buyers are of the opinion that lamb slaughter for the entire season beginning with the spring months will show a decrease of not more than 10 or 15 percent below last year.

Stocks of fats are estimated to be between 45,000 and 55,000 short tons, with lard alone comprising about 17,000 tons. Official regulations require the meat-exporting frigorificos to sell practically all of their output of fats to local soap manufacturers.

Butter supplies have been short with export quotas being suspended during part of the year. Recent rains have increased production to the point where some stocks are being accumulated. Cheese trading is being revived with the larger share going to Belgium which is expected to continue buying at the rate of 1,000 tons per month at least through mid-1948. Exports in 1947 consisted of about 16,500 short tons of butter and 7,900 of cheese for the first ten months of the year.

The outlook for exports of the present fruit crop is not too promising. Demand in dollar-short European countries is low and supplies in storage are substantial. At the end of October cold storage of apples amounted to 22,000 short tons as compared to 8,000 in 1946. Some drying of the fruit could profitably take place if fresh fruit prices would stabilize at a lower level.

Brazil

Exports of food crops from Brazil during 1947 were relatively small. The problem of disposing of much of the rice surplus was unsolved because of Brazil's reluctance to accept sterling. The exportation of babassu continued to be prohibited because of the fats and oils shortage. Frozen meats in Rio Grande do Sul, which were originally destined for export, had to be requisitioned for domestic consumption because of the drought conditions and locust infestation which plagued the South, adversely affecting grain and livestock production. In North and Central Brazil, sufficient rainfall permitted early soil preparation for the oncoming crop. Late rains in the South greatly improved 1948 crop and livestock prospects for that area. Inadequate supplies of wheat and flour continue to be the major import problem.

Stocks of wheat and flour at the end of September were estimated at less than 110,000 short tons which when added to anticipated shipments of allocations probably did not last beyond mid-December of 1947. To meet this shortage, the government required the admixture of all wheat flour with ten percent of rice or manioc flour. This ratio may be increased. Domestic production of wheat seldom exceeds 165,000 short tons, leaving an estimated import requirement of 1,100,000 tons to satisfy minimum demand. Brazil's imports are usually supplied from Argentina, but there recently has been an upward trend in imports of United States flour. Attempts are being made by the Brazilian Government to secure about 550,000 short tons from Argentina for delivery in 1948, and also to increase acreage and yield at home.

Difficulties were encountered during 1947 in disposing of the rice surplus because available markets are primarily in the sterling areas and Brazil did not wish to accept sterling. More recently, favorable sales have been negotiated and estimates now place the remaining exportable surplus of rice at about 60,000 to 80,000 short tons. The Bank of Brazil plans to loan up to 80 percent of the value of the rice in storage in order to sustain the rice industry in Rio Grande do Sul where producers are most dependent upon export sales. Accordingly, acreage and production for 1947-48 would probably have equalled those of last year if it had not been for the drought in the South. It is estimated that the crop is reduced by about 6 percent from the estimated 1,726,000 short tons of last year. A shorter crop together with accelerated domestic consumption of rice to compensate for the flour shortage may eliminate Brazil as an exporter of rice for the coming year.

Reduced swine numbers in 1947 left corn supplies ample for domestic use but the low level of flour imports is making it necessary to use corn flour both in pure form and mixed with wheat flour for home consumption. The crop last year was about 5,600,000 short tons and little increase is expected this year. Exports of corn from North Brazil can only take place under export licenses and after the domestic market has been supplied.

Unfavorable weather has caused a drop in cocoa production in 1947-48 to about 100,000 short tons, or some 75 percent of the 1946-47 crop. Part of the recent substantial increase in prices is attributed to this cause.

An embargo on the export of babassu is in effect because of the domestic shortage of oils brought about by the short cotton crop. Another small crop of cottonseed oil is expected in 1948 with a continued strong domestic demand for babassu. Increased plantings of peanuts are expected but not enough to materially increase the supply of oil.

Cuba

During the current crop year, August 1947 to July 1948, Cuban production and consumption of basic foodstuffs are expected to be slightly less than last year. Smaller crops of corn, beans, and potatoes, as well as lower allocations to Cuba of certain import foods currently in short world supply, are expected to reduce total available supplies. On the other hand, there may be small offsetting increases in output of root crops, meat and dairy products.

Weather conditions for the 1948 sugar crop have been favorable and growers estimate their cane supply equal to the record breaking crop of last year when 6,420,000 short tons of sugar were produced. The price of sugar in 1948 will likely be lower than in 1947. Yet, the Government has announced that wages will be maintained at the 1947 rate for harvesting of the 1948 crop. This policy may delay the current harvest and reduce the size of the crop. Disposition of a record 1948 production at favorable prices will in any case encounter difficulties due to the scarcity of exchange in the world markets. Under the new sugar quotas, the United States will take about 3.2 million short tons and Cuban domestic disappearance may account for another 250,000 tons, thus assuring a market for 3.5 million tons of the 1948 crop. This compares with exports of 5,736,500 tons for the calendar year 1947 or nearly double the prewar average.

About 5,000 short tons of corn were imported by Cuba last year, when an unusually large crop of 187,500 short tons was produced. Possibly 17,500 short tons will be necessary this year with the outlook for an average crop. Cuba normally imports about 85 percent of its rice requirements and all of its wheat flour. Import requirements of 212,500 short tons of rice and 185,000 tons of wheat flour are estimated for 1948.

High cocoa prices since the outbreak of World War II have encouraged increased plantings which are now coming into production. The 1947 crop of 3,500 short tons was 40 percent above the average of the preceding five years. Production in 1948 may reach 3,700 to 4,000 tons. This should meet domestic requirements and leave an exportable surplus of 1,000 to 1,250 short tons.

Cuban production of root crops, other than potatoes, will probably be about 15 percent above average. Generally there are no imports or exports of these crops. Potatoes are imported in large quantities. With a small 1948 crop, forecast at 70,000 short tons, and prospective requirements increased to 130,000 tons, imports of about 60,000 tons of potatoes may be needed in 1948.

Exports of fresh fruits and vegetables are small in comparison to domestic production. For the current year the forecast is 113,000 short tons available for export plus 100,000 tons of canned pineapple. This is about 90 percent of prewar exports.

Before the war Cuba's net imports of livestock and edible livestock products were about 30,000 short tons a year. Estimated current requirements are 58,000 tons, composed of 1,000 short tons of beef; 3,000 of pork; 35,000 of lard; 2,500 of cheese; 5,000 of butter and 11,500 of canned milk.

Mexico

Supplies of most staple foods in Mexico continue below effective demand. Shortages of corn, wheat, eggs, milk, lard and cocoanut oil are the most pronounced with deficits of such commodities as oats, barley, malt, hops, and tallow also prevailing. Production of rice and sugar have increased enough during the past year to provide exportable surpluses. Other important surpluses of foods and feeds include bananas, pineapples, garlic, onions, flaxseed, peanuts, oilseed cake and meal, chickpeas and canned meat. The actual imports and exports of these commodities, however, will depend to a great extent on world prices and solution of exchange difficulties.

Corn, wheat and rice are the most important grain crops in Mexico. The 1947 corn crop of 2,400,000 short tons was below average but the Government program for increased fall plantings should ease the shortage of corn supplies in the spring. There will be a minimum wheat import requirement for this period of about 440,000 short tons. Rice has currently moved from a deficit to a surplus status with the possibility of 33,000 short tons being available for export in the year ending July 1948.

Increased production of beans in 1946-47 over the previous year has increased supplies available for consumption during the period under review but is still short of domestic requirements. A further increase in production is expected in 1947-48 which should alleviate the shortage and provide small quantities for export. Average annual consumption is estimated at about 178,000 short tons. An exportable surplus of 44,000 tons of chickpeas is expected in 1947-48. They will probably go chiefly to customary markets in Spain and Cuba.

Fruit production is expected to continue to increase during 1947-48. The exportable surplus of bananas for August 1947 to July 1948 is estimated at 6,100,000 stems as compared to 5,950,000 in 1946-47. The pineapple crop should exceed the estimated 121,000 short tons produced in 1947. Exports of the crop were reduced last year because of inadequate transportation, but a surplus of 44,000 short tons of fresh pineapples and 5.500 tons of canned are estimated for this year.

During 1947 Mexico has changed from a sugar importing country to one with an increasing surplus. An Accumulation of 160,000 short tons or more may pile up for export during the period 1947-48, including 66,000 tons from the 1946-47 crop, which up to now has encountered some difficulty of disposal in the export market.

The supplies of meat in Mexico have increased greatly with the progress of the campaign against foot-and-mouth disease. Because of the closing of the United States border to imports of live cattle, the northern states have developed a surplus of some 500,000 head. The southern areas are enjoying ample supplies of meat as a result of increased slaughter of animals which have recovered from the disease or were marketed to avoid infection. Neither exports nor imports of meat have previously been important in Mexico, the annual total never having exceeded 2,200 short tons of all types. With the construction of canning and meat packing plants in the surplus cattle areas of the North, however, meat exports are expected to attain significant proportion during 1948. Most of these will consist of canned products to fill contracts with the United States for resale to the International Refugee Organization. Some 495,000 short tons of meat are expected to be available for consumption purposes at home and abroad in 1947-48. Increases in imports of milk products are expected, as a result of the cattle slaughter campaign.

There was some improvement in supplies of vegetable fats and oils and lard in 1947 but a decrease in tallow and other animal fats. The trend is expected to be upward in 1948 for tallow and other animal fats. Import requirements for the period 1947-48 are estimated at 18,000 tons of lard, 6,600 tons of tallow and 13,000 of copra in terms of oil. Exportable surpluses of oilseeds are estimated to be somewhat larger than those of last year.

Other Latin American Countries

Crop prospects for the rest of South America are favorable for 1948 with the exception of Bolivia and Paraguay, which are usffering from a locust plague.

The Chilean wheat crop is officially forecast at 20 percent above the 995,000 short tons produced in 1947, which should make the country self-sufficient during 1948. The Government has fixed export quotas of foodstuffs and feedstuffs for 1948 amounting to 11,000 short tons of forage barley to be exchanged for agricultural machinery and supplies, 16,534 tons of malting barley; 3,300 of forage oats; 5,500 of rolled oats; 3,300 of onions; and 3,300 tons of peas. Commodities not subject to export controls include beans, lentils, chickpeas, garlic, canned fruit and vegetables. Prohibited are exports of wheat, flour, corn, canned meat, hempseed, and flaxseed. Imports of cattle which have not been vaccinated against foot-and-mouth disease are suspended. Chile usually imports about 200,000 head annually from Argentina.

Uruguay is expecting a bumper wheat crop of 490,000 short tons which would be a little over domestic consumption requirements. Outlook for linseed and summer fruit harvests is favorable. The nation-wide campaign for increased agricultural production is expected to result in increases over last year in the area sown to sunflower seed, corn, rice, and peanuts. Major food exports in 1947-48 should include about 39,000 short tons of meat; 22,000 of corn; and 17,000 of rice. Some 55,000 tons of wheat will probably be delivered to Argentina in return for wheat received from that country during 1947.

Colombia's food supply situation at the end of 1947 is substantially better than a year ago. The rice crop established a national record at 170,000 short tons. Corn and potato yields were good. The sugar industry has expanded to the extent that no imports are expected to be necessary in 1948. The major requirements for wheat, fats and oils and cocoa must be imported although there has been a tendency towards increased production of both vegetable and animal fats. The volume of 1948 imports may reach 8,800 short tons of cacao beans, 16,500 tons of fats and oils and 55-65,000 tons of wheat and wheat equivalent of flour. Foodstuff exports in 1948 will be largely confined to bananas which may reach 6,500,000 stems or near prewar, and 30,000 head of live cattle.

The present outlook for Peru in 1948 indicates the possibility of a small increase in production of rice and cottonseed oil. Sugar and cotton are the principal export crops. The export availability of sugar in 1948 is estimated at 265,000 short tons but some of this will go to satisfy unfilled 1947 contracts. The general food situation depends a great deal upon developments regarding the importation of wheat, meat, milk, and fats and oils. The quantity of these imports will likely be governed largely by the availability of dollar exchange even though the goods are offered by exporting countries.

Continued rainfall in Venezuela during late 1947 brought general improvement to the agricultural situation. Production, however, has failed to keep pace with the food demands of the rapidly growing towns and the expanded purchasing power of a large percentage of the population, and increased deficits have developed in most basic foodstuffs.

Ecuadoran production of most foodstuffs is sufficient to meet domestic needs. Principal imports are lard, flour, processed milk and rolled oats. The carry-over of lard from the previous year, plus lard ordered on import permits is thought sufficient to supply domestic needs until the end of March 1948. Flour supplies are adequate, as are supplies of sugar and meat. The principal exports of foodstuffs are rice, cacao and bananas. At the beginning of January, 17,000 to 22,000 short tons of rice from the 1947 crop were still unsold and unexported. Banana exports are showing a remarkable increase over those for the war years. The 1947 export of 1,301,409 stems represented an increase over the 1945 volume of 87 percent.

Central America and the Islands of the Caribbean, excluding Cuba, should have a total of between 55-60,000,000 stems of bananas, some 2,000,000 short tons of sugar and close to 35,000 short tons of cacao for export in 1948. The area is self-sufficient in most basic foodstuffs except fats and oils and wheat flour.

CEREALS

Latest information on the 1947 grain harvest - complete in the Northern Hemisphere and drawing to a close in the Southern Hemisphere - serves only to confirm earlier predictions of a continuing critical shortage of cereals through the 1947-48 year. This shortage has resulted in further reductions of already low bread rations in some countries during recent months and the prospect of reductions in additional countries before the 1948 grain harvest comes in. Continuing measures of conservation and the most effective distribution of available supplies of cereals, both in exporting and importing countries alike, will be necessary if further deterioration in the situation is to be avoided.

Production

World production of bread grains (wheat and rye) in 1947 is estimated to be about 193 million long tons, compared with 190 million tons in 1946 and 204 million tons, the 1935-39 average. Production of the principal coarse grains (corn, oats, and barley) in 1947 is estimated at 220 million long tons, 6 percent below the 1946 harvest of 234 million tons and about 4.8 percent below the prewar average of 231 million tons. Distribution of this production, by continents, is indicated in the following tables.

Production of Bread Grains 1/

Year	Area or Continent							World total
	North America	Europe	U.S.S.R.	Asia	South America	Africa	Oceania	
	Thousands of long tons							
Av.1935-39	30,443	61,611	55,340	40,082	7,796	3,853	4,742	203,912
1946 ...	43,089	47,947	42,393	41,920	7,589	3,789	3,260	189,993
1947 ...	48,217	40,322	46,438	40,303	8,142	3,524	6,221	193,200

1/ Wheat and rye.

Production of Coarse Grains 1/

Year	Area or Continent							World total
	North America	Europe	U.S.S.R.	Asia	South America	Africa	Oceania	
	Thousands of long tons							
Av.1935-39	87,623	54,325	30,000	33,205	15,852	9,387	838	231,285
1946 ...	122,102	41,178	15,072	31,754	14,510	8,620	773	234,018
1947 ...	95,665	47,214	21,483	31,952	13,958	8,670	1,036	220,035

1/ Corn, barley and oats.

Continental totals for grain production, however, do not reveal the full impact of the critical food supply situation in the individual grain deficit countries. France, the Low Countries, and other areas in western and central Europe, for example, were particularly hard hit by the severe winter freezes of 1946-47 and the subsequent drought during the spring and summer months last year. Also suffering severely from the 1947 drought were Italy and most of the Mediterranean and Middle East regions. These conditions not only adversely affected grain crops in those countries but most of their other food and forage crops as well. Even in the large grain surplus producing countries, the potential help from greatly increased production of bread grains was materially reduced by the relatively small aggregate of coarse grains in the United States and in Canada.

It is significant to note that the greatest declines in the 1947 production of bread grains generally occurred in areas that normally rely heavily on imported supplies. In Europe, for example, the production of bread grains in 1947 declined about 16 percent, or 7.6 million long tons, from a year earlier. But in the 1946-47 season over 13.5 million tons of bread grains were imported to supplement indigenous production. On a tonnage basis, much of the decline in 1947 was offset by an increase in the European production of coarse grains, but the extent to which coarse grains may be utilized as a direct substitute for wheat and rye is greatly limited.

Requirements

As a result of the effect of adverse weather conditions on production in European and many other deficit areas, the stated or estimated world import requirements for cereals (excluding rice) presented to the Committee on Cereals, IEFC, totalled approximately 52 million long tons for the 1947-48 season. Of this amount, the breadgrain requirement was nearly 40 million tons with the remaining 12 million tons representing coarse grain needs for food and feed. Last season (1946-47), stated import requirements amounted to only 37 million tons. A number of factors account for the increase in stated requirements in 1947-48. Most important is the fact that 1947 bread grain and other food crops in most of the importing countries were lower than in the previous year. In addition, farmers in Europe were anxious to expand their livestock numbers. Moreover, virtually all European countries hoped to effect substantial improvement in the quantity and quality of their bread rations. Finally, many of them desired to build up their grain stocks to something approaching normal levels.

It was recognized at once, of course, that the stated import requirement of 52 million tons was a quantity far beyond the total available for export in the surplus grain-producing countries of the world. As a result, importing countries were faced with the necessity of continuing, and in some cases reducing, already low bread rations. Many countries were also forced to carry on with working stocks of grain at extremely low levels, with high flour extraction rates and the use of coarse grains and potato flour in the bread mix, and with delay in plans for rehabilitating livestock.

Supplies

Supplies of grain available for export from surplus-producing countries during 1947-48 are estimated at a total of about 32 million long tons, of which around 76 percent is bread grain. In other words, supplies available for export are less than 61 percent of requested imports for the 1947-48 year. The following table shows by sources the estimated supplies of grain available for export during 1947-48, compared with actual exports during the preceding year.

World Grain Exports in 1946-47 and Estimated 1947-48 Export Supplies

Country	1946-47 shipments			1947-48 export supplies		
	Wheat and rye	Coarse grains	Total	Wheat and rye	Coarse grains	Total
	Millions of long tons					
United States	10.8	4.1	14.9	12.1	1.9	14.0
Canada	6.2	.6	6.8	5.7	-	5.7
Argentina	1.7	2.5	4.2	2.5	4.0	6.5
Australia	1.3	.1	1.4	2.4	.4	2.8
Others	.6	.5	1.1	1.7	1.3	3.0
World total ...	20.6	7.8	28.4	24.4	7.6	32.0

World supplies of grain available for export during 1947-48 are expected to exceed last year's total shipments by approximately 3.6 million long tons. This increase in the world total is accounted for mainly by an estimated increase of 4.3 million tons in exportable supplies of bread grains in the United States, Argentina, Australia and the U.S.S.R., and an increase of 2.6 million tons in exportable supplies of coarse grains in Argentina, Australia and the U.S.S.R. These increases, however, are substantially offset by the reduction of 500,000 tons in exportable supplies of bread grains in Canada, and the reduction of 2.8 million tons in exportable supplies of coarse grains in the United States and Canada.

North America

Present expectations are that grain exports from Canada and the United States will total about 20 million long tons during the 1947-48 year, a decline of about 2 million tons from the 1946-47 season. This estimate includes the present U. S. goal of 450 million bushels of wheat (including flour in terms of grain) and 70 million bushels of coarse grains, with a small allowance for exports of miscellaneous cereals products. With a record crop of wheat in 1947 and the abnormal world demand for bread grains, exports of wheat, including flour, from the United States will reach an all-time high this year. This achievement will be offset to some extent, however, by the reduced availability of coarse grains from the United States, and by reduced availabilities of both wheat and coarse grains from Canada. These reductions have resulted, of course, from the effects of unfavorable weather on 1947 production, particularly of corn in the United States and all grains in the Prairie Provinces of Canada.

Australia

With a record or near-record wheat harvest now completed, exports of wheat and flour from Australia during the 1947-48 season are expected to be nearly double the total of 1.3 million long tons shipped during the 1946-47 year. It is estimated that about 800,000 tons of wheat were exported during July-December, 1947, leaving an estimated 1.6 million tons to move January-June 1948. Wheat exports are also expected to continue in volume during the remainder of 1948 as a result of the bumper crop. For the first time in recent years, Australian supplies of grain will again be moving in significant quantities to former destinations in continental Europe and the United Kingdom.

Argentina

Supplies of grain available for export from Argentina in 1947-48 are expected to total at least 6.5 million long tons. This represents an increase of about 2.3 million tons over a year ago, with coarse grains (mostly corn) accounting for about two-thirds of the increase. The extent to which this total is exceeded will depend partly on competition for existing transportation facilities to move oilseeds during the coming months, on price policies, and on continued efforts of administrative officials to expedite the movement of grain. Argentine grain shipments in recent months have shown a substantial gain, with the December movement of one million tons exceeding that for any other month since June 1939. During the first weeks of January, however, the movement of grain has slackened somewhat, with some interference by the weather and a recurrence of labor difficulties.

The outturn from the Argentine wheat harvest now about completed is expected to be significantly larger than forecast earlier, giving promise of continued exports of wheat from that country at a level equaling or exceeding the 2.5 million tons estimated for export during the year ending June 30, 1948. Total grain exports, including wheat, during recent years and in prospect for this season, however, remain well below Argentina's potential and are little more than half the average grain exports from that country in prewar years.

Other Sources

The 3.0 million tons of grain estimated as being available from "other sources" represent mainly an allowance for exports from the U.S.S.R., with only a small amount from the Middle East and other miscellaneous sources. U.S.S.R. export commitments from the 1947 harvest through early January amounted to about 2.4 million tons, divided about evenly between bread grains (wheat and rye) and coarse grains (barley, oats and corn). A commitment of 738,000 tons of coarse grains to the United Kingdom is the largest single contract reported. Czechoslovakia's contract for imports of about 600,000 tons is next largest, followed by Poland and Finland with about 290,000 tons each. Norway, Denmark, Rumania, Sweden and Bulgaria together account for the remaining 450,000 tons.

These export grain commitments by the U.S.S.R. are parts of bilateral trade agreements entered into with the individual countries. Since trade negotiations are still in progress with some countries, the Soviet grain export program cannot be considered complete as yet. Commitments to date fall considerably short of the heavy exports during 1909-13 and are also smaller than those during 1930-31 and 1931-32, the peak interwar years. They compare favorably, however, with average exports during the interwar period.

Winter Grain Prospects - Europe

While still too early for quantitative estimates, information thus far received indicates that the total area in Europe sown to winter grains for harvest during 1948 is likely to show an increase over that of the past two years. In most areas the drought of the past summer continued into the fall, with only scattered rains to relieve the dryness. Since mid-November rains have been general over most of Europe and mild weather has enabled seeding to be continued later than usual. On the other hand, fall plantings are not advanced as far as usual because of the backward season and several critical months remain before harvest.

The mild weather and rainfall in France have been especially beneficial and prospects there are reported to have improved considerably. Official estimates place the total area sown to winter grain in that country on January 1, 1948, at 13.2 million acres, compared with the 12.1 million acres sown to January 1, 1947. Winter conditions to date have been favorable in contrast with the severe winter of 1946-47, when wheat acreage lost through winter kill in France was reported at about 3.7 million acres. Improved prospects are also reported in other areas of western Europe, the United Kingdom and Scandinavia as a result of increased moisture supplies, and some countries now are reporting increased acreages.

In Sweden, seedings of both wheat and rye are larger than in the fall of 1946, with the combined acreage about 25 percent larger than a year ago. Denmark's acreage seeded to fall rye is substantially larger than that of a year ago, more than balancing a reduction in winter wheat acreage. The condition of winter crops is also much more favorable than at this time last year, when about two-thirds of the winter wheat acreage had been lost through winter kill.

In the Mediterranean region, Italy and Turkey are reported to have seeded increased acreages under favorable conditions, and weather conditions during November and December have been good. It is also reported that abundant rains recently have relieved droughty conditions in parts of the important producing areas of North Africa, and somewhat larger acreages are expected there.

Generally favorable conditions are reported for Poland, with seeding of the planned increase in grain acreage accomplished. Over much of central Europe, the fall season was backward and moisture supplies generally inadequate for land preparation, and for seeding and germination of fall-sown grains. The delay was reported to have been particularly serious in Austria and parts of Germany, Czechoslovakia, and Hungary. The extent to which increased moisture supplies during the past two months may have improved prospects in this area, however, is not yet known.

Fall moisture conditions have been favorable in the U.S.S.R. and southeastern Europe, particularly in the lower Danube. Seeding apparently has progressed satisfactorily and increased acreages are reported for those areas.

RICE

The 1947-48 (August-July) world rice crop is expected to be about 96 percent of prewar average production. The harvest is now estimated at 7,100 million bushels of rough rice compared with 6,950 million bushels in 1946-47, and with 7,400 million bushels during the 1935-36/39-40 prewar average. Expressed in milled rice this is 111,000,000 short tons, compared with 109,000,000 last year and 117,000,000 prewar.

Despite the gain in production over that of the year before, the exportable supplies are expected to be only about one-third of the prewar average. The total surplus available from exporting countries is estimated around 3,000,000 tons of milled rice, a relatively small increase over the estimate of 2,500,000 tons during 1947. Net exports before the war averaged 8,800,000 tons. Of the world's rice exports before the war, the surplus areas of Asia exported about 90 percent, 8,300,000 tons, of which over 6,000,000 tons were shipped to other Asiatic countries. Since the war, net imports into Asia from other continents have been necessary. In 1946, around 300,000 tons were imported; in 1947 imports amounted to about 360,000 tons and considerably more would have been taken had it been available. Reduced production in Asia's importing countries increased the need; in 1946 exports available from the former exporting countries were only 18 percent of the prewar average.

For many years, Asia was the only surplus area of the world. At the present time Europe is the only other Continent having a deficit. The Continents of North America, South America, and Africa all have surpluses, though relatively small. Of the 2,000,000 tons shipped from Asia's surplus area to other continents before the war, about 60 percent of milled and semi-milled rice went to Europe, over 10 percent to Africa, nearly 10 percent to the Caribbean (primarily Cuba), and about 20 percent to other countries. In 1947, about 80 percent of world rice supplies of 1,900,000 tons was designated to countries of Asia; between 10 and 15 percent was retained in importing countries of the Western Hemisphere, and no rice was allocated to Europe.

Production is recovering to some extent in the war-affected countries of Asia, and most of the increase this year is in that area. In Europe, a record acreage was planted, and production slightly exceeds the prewar average. The crops of North America and Africa rose above the high levels of last year. A decrease in production, however, is possible in South America.

The production of Asia in 1947-48 is estimated at 6,600 million bushels compared with 6,500 million the year before, and with 7,100 million before the war. Some increase took place in the production of Burma, China, Formosa, Korea, the Philippine Islands, Siam and the Malayan Union. The crop is slightly smaller in Japan, and present prospects indicate the output of India may be below that of last year.

The total production of Asia's exporting countries, Burma, Siam, and French Indochina is estimated at 620 million bushels, or about 100 million larger than that a year earlier, but only about 70 percent of prewar. The greatest progress in returning to prewar acreage was in Burma, where there was an increase in planted acreage of around 1,000,000 acres and a good harvest is forecast. The surplus of milled rice for export during 1948 from the December 1947 harvest is estimated at 1,570,000 tons. Although substantial gains have been achieved in the 2 years since the war ended, the exportable surplus is still only about 50 percent of prewar average exports. The production of Siam is expected to be larger than in the year before, and exportable supplies are estimated to be about 75,000 tons more than those of last year. French Indochina formerly exported nearly 20 percent of the world's rice trade, but in 1948 little rice is expected to be available for other countries.

The 1947 rice harvest of China is one percent larger than in the preceding year, and 96 percent of the prewar 1931-37 average period. A good crop was also harvested in Formosa, where production is reported to be about 90 percent of prewar. In Japan, production equal to the good crop of the year before had been forecast, but unfavorable weather resulted in a downward revision of the crop. Production in South Korea is 17 percent larger than in 1946. The acreage and outturn of the Philippine Islands exceed the prewar average, but are not as high as the level attained in the years immediately prior to the war. British Malaya has increased rice acreage extensively this season.

Favorable weather in the rice-producing countries of Europe made possible a large rice harvest. Production is estimated to be 2 percent larger than the prewar average and 32 percent above last year's outturn. In Italy, the acreage was 45,000 acres larger than in the preceding year, and weather was favorable for a bumper crop. For the first time since the war, rice may be exported from that country. Weather in Spain was beneficial, and yields approaching Spain's former high yields per acre were harvested. Production in Portugal also was larger than in 1946.

Egypt harvested a record crop from a record acreage, but because of other grain shortages, exportable supplies are estimated to be about the same as those of a year earlier. Although a large crop has been reported in Madagascar, indications are that rice may not be exported from that country in 1948.

In North America, a bumper crop in the United States was chiefly responsible for a 10-percent gain over the production of that Continent in the preceding year.

The rice production of South America may be smaller than the 1946-47 outturn. Brazil's acreage is 5 percent less, and production may be 6 percent below last season's crop. Export supplies from that country, therefore, may be less than during 1947.

RICE (milled): World production and trade 1935-36 to 1939-40, estimated production and exports in 1947-48 a/

Continent and country	Estimated production 1935-36 to 1939-40	Estimated production b/ 1947-48	Apparent domestic disappearance c/ Prewar average	International trade Prewar average c/ Net imports	International trade Prewar average c/ Net exports	International trade Prospective 1948 Exports
	1,000 sh.tons	1,000 sh.tons	1,000 sh.tons	1,000 sh.tons	1,000 sh.tons	1,000 sh.tons
North America:						
United States........	729	1,160	622	--	107	390
Mexico...............	59	100	50	--	9	40
Estimated total...	920	1,483	1,140	338	118	430
Europe:						
Italy................	550	502	382	--	168	60
Spain................	155	186	224	69	--	--
Estimated total...	777	793	2,053	1,446	170	65
Asia:						
French Indochina....	d/ 4,978	3,308	3,368	--	1,610	20
Siam................	3,356	2,252	1,793	--	1,563	550
Burma...............	5,489	4,239	2,182	--	3,307	1,570
China...............	41,318	36,982	41,729	411	--	--
Manchuria...........	501	357	586	85	--	--
Japan...............	9,385	8,591	11,331	1,946	--	--
Korea...............	3,083	e/2,026	2,022	--	1,061	--
Formosa.............	1,350	1,151	641	--	709	--
Philippine Islands..	1,652	1,715	1,788	65	--	--
British Malaya......	427	394	1,206	779	--	--
Netherlands Indies f/	6,960	6,200	7,172	212	--	--
India g/............	32,500	35,000	34,055	1,552	--	--
Others..............	930	1,785	2,127	1,010	30	--
Estimated total...	112,000	104,000	110,000	6,060	8,280	2,140
South America:						
Brazil..............	971	1,623	929	--	42	230
British Guiana......	52	h/	35	--	17	25
Ecuador.............	50	h/	37	--	13	65
Estimated total...	1,309	2,340	1,331	102	80	325
Africa:						
Egypt...............	532	973	390	--	132	200
Estimated total...	1,670	2,520	1,874	360	156	200
Estimated world total.	117,300	111,100	116,900	8,400	8,800	3,160

Office of Foreign Agricultural Relations, U.S.Department of Agriculture.

a/ For countries of Asia and Africa, rough rice is converted to milled at 70 percent, and for other countries at 65 percent. Milled rice trade includes milled, brokens, semi-milled unconverted, and rough rice in terms of milled. b/Preliminary. c/1936-40 average where available. Otherwise, the latest 5 years are included for which figures are available. d/Less than 5-year average. e/South Korea only. f/Estimate for all Netherlands Indies. g/Including estimate of production in unreported areas. h/Unavailable.

SUGAR

World production of beet and cane sugar for the 1947-48 season is estimated at 33,466,000 short tons (raw value), compared with 31,894,000 tons in 1946-47 and the 5-year (1935-39) average of 34,787,000 tons. Althoubh world production this season is only about 4 percent below the prewar average, which at that time resulted in surplus supplies and relatively low prices, the distribution of production in 1947-48 is such that, together with exchange difficulties, a portion of the world will likely have a surplus and the remainder a severe deficit. Production in the Western Hemisphere taken as a whole is expected to be at a record high level in 1947-48 but probably will be considerably below average in Europe excluding the U.S.S.R. and in Asia.

Currently most exports of sugar from the Western Hemisphere require dollar exchange which is short in the balance of the world. This makes it difficult for deficit producing European countries to import. As a consequence sugar will continue to be a commodity in short supply in Europe and will continue to be subject to rationing, trade and price controls. In the Western Hemisphere practically all controls will be removed with the exception of normal tariffs and perhaps import and marketing controls in the United States.

Production of sugar in North and Central America and the West Indies is expected to total 11,423,000 short tons or about the same as the record large output in 1946-47 but 3.6 million tons more than the prewar average. The extent of the total output and the net availability for export depanes upon the outturn from the grinding season in Cuba which started about January 2. It is not unlikely that production in Cuba will be such that exportable supplies will be more than sufficient to meet all requirements based on dollar exchange made available for the purchase of sugar. The exportable supply in prospect in Dominican Republic, Haiti and the British West Indies has already been contracted for by the United Kingdom and Canada.

South American production is estimated at 3,153,000 short tons, a little more than in 1946-47 and about 700,000 tons more than the prewar average. It is expected that several hundred thousand tons will be available for export in 1947-48. These exports also will require dollar exchange. The principal exporters will be Peru, Brazil and perhaps Argentina. The exportable surplus produced in British Guiana will go to the United Kingdom without dollar exchange.

Unfavorable growing weather stopped the recovery trend of European beet sugar and the 1947-48 output, exclusive of the U.S.S.R., is expected to total only 5,274,000 short tons, compared with 5,721,000 tons last season and a prewar average of 7,408,000 tons. The relatively small crop dashed the hopes of many countries to reach rationed sufficiency in sugar this season and a real shortage exists. The deficit becomes even more difficult because the world's exportable supplies require dollar exchange which is at present not available in most European countries. Even at the prewar levels of production and consumption Europe has a net import deficit approximating 2.7 million short tons.

The beet crop in the U.S.S.R. is expected to be slightly above the prewar average and sugar production may total 3,000,000 short tons, compared with 1,750,000 tons last season.

Sugar production in Asia is expected to continue the recovery trend started last year. The current season's output is expected to total 7,477,000 short tons, compared with 6,928,000 tons in 1946-47 and the prewar average of 10,890,000 tons. The Philippines show remarkable recovery this year and will resume exports to the United States but Java and Formosa continue to have rather poor prospects. India's production is expected to be maintained at the relatively high level of 6,250,000 tons.

Production in Africa also is expected to be increased this season or from 1,289,000 short tons in 1946-47 to 1,424,000 tons in 1947-48. Most of the increase this season is expected to occur in Mauritius, Reunion, and the Union of South Africa.

In Oceania, production in 1947-48 is indicated at 1,715,000 tons, compared with 1,650,000 tons in 1946-47. Hawaii and the Fiji Islands have increased prospects over last year.

SUGAR (raw value): Production in specified countries a/
Average 1935-39, annual 1946-47 and 1947-48

Countries by Continent	Average 1935-39	1946-47	1947-48 b/
North & Central America and West Indies	1,000 short tons	1,000 short tons	1,000 short tons
United States	1,994	1,948	2,320
Mexico	364	572	650
Cuba	3,183	6,448	6,000
Puerto Rico	974	1,088	1,000
British West Indies	471	487	555
Dominican Republic	491	513	515
Others	324	378	383
Total	7,801	11,434	11,423
Europe			
Czechoslovakia	721	670	450
France	1,059	840	775
Germany	2,122	c/ 1,095	c/ 915
Poland	548	c/ 470	c/ 530
United Kingdom	527	695	500
Others	2,431	1,951	2,104
Total	7,408	5,721	5,274
USSR d/	2,887	1,750	3,000
Asia			
India e/	6,168	6,245	6,250
Formosa	1,202	35	150
Java and Madura f/	1,447	15	65
Philippine Islands g/	1,127	180	530
Others	946	453	482
Total	10,390	6,928	7,477
South America			
Argentina	480	700	690
Brazil	1,159	1,565	1,600
British Guiana	209	194	196
Peru	448	460	460
Others	118	203	207
Total	2,414	3,122	3,153
Africa			
Egypt	167	203	200
Mauritius	321	325	375
Union of South Africa	498	475	500
Others	309	286	349
Total	1,295	1,289	1,424
Oceania			
Australia	894	619	620
Fiji	143	131	145
Hawaiian Islands	986	900	950
Japanese Mandated Is.	69	0	0
Total	2,092	1,650	1,715
Grand Total	34,787	31,894	33,466

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service Officers, results of office research and other information. Estimates of countries having boundary changes have been adjusted to prewar boundaries except as noted. a/Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa, etc., where the season begins in May or June of the year shown. b/Preliminary. c/Data not comparable with previous years because of boundary changes. d/Includes Latvia and Lithuania. e/Data for India are in terms of gur, a low grade of brown sugar. f/Data for Java are for the calendar years following the years shown. g/Includes centrifugal and muscovado sugar.

FATS AND OILS

World production of fats and oils and oilseeds in 1947 is estimated at 20,000,000 short tons in terms of oil. The output in 1947 was about 13 percent more than in 1946 but only 92 percent of the prewar production. The supply of all classes of oils was greater in 1947 than in 1946. The most important contributions to the improvement in the over-all fat and oil situation were the record output of copra from the Philippines, the exceptionally large crop of olives in the Mediterranean area, expanded acreage and increased production of rapeseed in China and the resumption of whaling on a large scale in the Anarctic.

Supplies of fats and oils available for foreign trade were considerably greater in 1947 than in 1946 and continued improvement is expected. The quantities entering foreign trade in 1947 are estimated to be 54 percent of the prewar volume. Increased consumption has reduced exports from some countries, and total production in many of the important exporting countries continues below the prewar output but supplies available for foreign trade should be greater in 1948 than in either of the past two years.

The production of oilseeds (including olives) which are the source of most edible vegetable oils was considerably greater than in 1946 and equal to the prewar production. Supplies of oil available for 1948 consumption are drawn largely from the 1947 production of these crops. A larger crop of cottonseed and the largest production of olive oil since 1938 accounted for most of the increase over the past year. Despite the favorable production, the quantity of edible vegetable oils available for world trade in 1948 is estimated at about 35 percent of the prewar quantity. Exports of peanuts from Africa, India, and China will not be available in prewar volume and exports of soybeans from Manchuria are unlikely to be resumed.

Palm oil and coconut oil produced in 1947 exceeded that of 1946 by 640,000 tons but was well below the quantities produced before the war. These oils, for the most part, are consumed during the year of production, and quantities available for international trade may be slightly greater in 1948 than during 1947. Copra production in the Philippines may be less than the record output for 1947, but the reduction should be offset by a greater output of palm oil and palm kernels.

The 1947 output of the industrial oils exceeded the 1946 production by 300,000 tons, the result of larger crops of flaxseed in North America and of rapeseed in China. Nevertheless the quantities available for world trade are only slightly above those of 1947 and are still below prewar shipments.

World production of animal fats was higher in 1947 than in 1946 but was not equal to the prewar average. Unfavorable weather in Europe and a shortage of livestock feed retarded recovery of animal fat production. The quantity of lard available for export in 1947 from both the United States and Argentina was less than in 1946 and export supplies for 1948 are likely to be less than in 1947.

The output of whale oil in 1947 was near the maximum to be obtained from the catch of whales permitted by international agreement and is unlikely to be much greater in 1948. World production of fish oils increased in 1947 but seems unlikely to regain the prewar level until the Japanese fisheries again produce fish oil in quantity.

EDIBLE VEGETABLE OILS

COTTONSEED

World cottonseed production for 1947-48 is forecast at 12.4 million tons compared with 10.3 million last season. North American countries, principally the United States, are accounting for 40 percent of the total.

The cottonseed outturn should provide around 1.4 million short tons of cottonseed oil for world consumption in 1947-48, the largest in several years. A relatively small percentage of this supply will enter world trade. Production in South American countries is sufficient only for domestic needs, but some supplies may be available from Africa. In prewar years (1935-39) the United Kingdom was the largest importer of cottonseed, and the United States was the largest importer of cottonseed oil.

PEANUTS

World peanut production in 1947 is estimated at 9.9 million tons, the largest output since 1943 (10.2 million) and 4 percent greater than the prewar (1935-39) average. Expansion over 1946 in the peanut production of the United States, India, the Netherlands Indies, and French West Africa slightly overbalanced the crop reductions in China, Nigeria, and Argentina. Increased domestic demands, particularly in India and China, transportation difficulties and political disturbances in China and the Netherlands Indies, and smaller crops in some countries, such as Nigeria, are factors adversely affecting the quantity of peanuts and oil available for international trade. Should the British program for mechanized peanut production in East and Central Africa materialize, exports would likely increase substantially in the next few years. From the total quantity of peanuts produced, it is estimated that approximately 1.7 million tons of oil are available for 1948 consumption.

SOYBEANS

World soybean production in 1947, estimated at 494 million bushels, is 4 percent less than a year earlier and the smallest since 1940. The decrease is primarily the result of lower yields per acre in the United States and Canada. Indications are that the Manchurian harvest was smaller than the 122.6 million bushels reported for 1946. China, South Korea, and the Netherlands Indies harvested larger crops than in 1946. According to recent information European soybean production is the largest in three years.

The total supply of soybeans for consumption in 1948 is somewhat smaller than that of last year. It is estimated that approximately 65 percent of the 1947 production will be crushed, thus providing 1.4 million tons of soybean oil compared with 1.5 million from the previous crop. The quantity of oil entering international trade, however, may be smaller than in 1947 and will originate chiefly in the United States.

SUNFLOWER SEED

Sunflower seed production for 1947 is estimated at 3.9 million tons, almost 30 percent larger than last year's output and 40 percent greater than prewar. Considerable expansion is reported for the Soviet Union, the world's largest producer, the Balkan countries, Turkey, Chile, and Canada. Although the crop in Argentina, the second largest producer, is over 20 percent smaller than last year's crop, it is still almost 350 percent greater than the prewar average, as a result of the remarkable expansion during the war years. Approximately 880,000 tons of oil are expected to be available for consumption in 1948, or 200,000 tons more than the supply of a year ago. The sunflower seed oil available for international trade, however, originates almost entirely in Argentina and will be little more than in 1947.

OLIVE OIL

The 1947-48 olive oil production promises to exceed one million tons and will be the largest since 1937-38. As much as 75,000 tons from countries in the Mediterranean area may be available for export, providing they are able to import sufficient supplies of other fats and oils. In Italy production is expected to be the largest in the past quarter of a century. In Spain, while not a record, the crop is considerably above average. Production in Greece is estimated to be the highest in the past ten years. In French North Africa, however, the outturn is somewhat below the prewar average.

SESAME SEED

Production of sesame seed during the past year is believed to have amounted to about 1.4 million tons, a slight decrease from last year's crop, but almost 20 percent less than the 1935-39 average. A 5-percent reduction is reported for China, which is by far the largest producer. India, the second largest producer, is likewise believed to have had a smaller crop in 1947. Both China and India consume most of their output in the form of seed or oil. Mexico's harvest was 8 percent larger than in 1946. About 570,000 tons of oil are available for world consumption, but of this amount only small quantities, originating in Central America, Turkey, and Africa, will enter trade channels.

PALM OILS

World production of the palm oils in 1947, estimated to be slightly in excess of 2 million tons was 640,000 tons greater than in 1946 but about 700,000 tons below the prewar average. Most of the increase was in coconut oil although the palm oil industry made progress toward recovery from the low war-time output.

COPRA AND COCONUT OIL

Approximately half of the coconut oil available in 1947 was from copra produced in the Philippines. Stimulated by high prices and encouraged by a favorable season, this country shipped a million tons of copra which, with small quantities of coconut oil, amounted to a record output of 700,000 tons of oil. Production of copra in the Netherlands Indies, although less than half of prewar, was almost 90,000 tons greater than in 1946. In Malaya, which produced no coconut oil for export in 1946, the industry recovered rapidly. Output from the Pacific Islands in 1947 was double that of 1946. In Ceylon the effects of dry weather in 1946 reduced 1947 production, and with heavy demands for domestic consumption, exports, 50 percent of prewar, were below expectations.

The supply of coconut oil which will become available in 1948 is now forecast to be about the same as in 1947. Increased exports from the Netherlands Indies, British Malaya, Pacific Islands, and Ceylon are likely to be offset by a smaller total from the Philippines where hurricane damage to the palms is reported to be so severe as to reduce prospects for copra production particularly during the first part of 1948.

PALM OIL

World production of palm oil in 1947, although somewhat greater than in 1946, was less than 50 percent of prewar. Only small quantities were available from the large prewar supplying areas in the Netherlands Indies. Exports from British West Africa and the Belgian Congo were less than in 1946, but recovery of output in Malaya offset reductions in the larger producing areas. Palm oil available to world markets in 1948 is expected to increase in all areas, and with some supplies available from Sumatra should be substantially greater than in 1947.

PALM KERNELS

The world supply of palm kernels originates largely in British West Africa, French West Africa, and the Belgian Congo. The oil equivalent of kernels exported from all areas, 236,000 tons, was less than was obtained in 1946 due primarily to reduced supplies from French and British colonies. Production in 1948 is expected to be at approximately the 1946 level.

BABASSU

Exports of babassu kernels from Brazil are affected by the output of other sources of oils and by the proportion consumed domestically. . .

Because of the edible fat shortage within the country, exports of babassu were restricted in 1947. Exports in 1948 are expected to be about the same as 1947 and less than in 1946.

INDUSTRIAL OILS

FLAXSEED

A substantial increase in world flaxseed production in 1947 should make available one million tons of linseed oil for consumption during 1948. While linseed oil is included in the industrial group, it is used in the manufacture of edible products in many countries of Asia and Europe.

Exportable surpluses in 1948 are expected from Argentina, India, Canada, Mexico, and Uruguay. Most of the exports will be as oil; it is possible, however, that small quantities of seed will be shipped from Canada and Mexico.

World flaxseed production in 1947 is estimated at 125.4 million bushels, 19 percent larger than the previous crop but 6 percent less than the prewar outturn.

RAPESEED

Approximately 5.6 million tons of rapeseed were produced in 1947 compared with 5.0 million in 1946. In China, the world's leading producer, output increased 17 percent over that of a year ago and 56 percent over the 1935-39 average output. China's expansion of recent years has been due to the development, during the war, of many uses for rapeseed oil such as substitutes for kerosene, grease, lubricants, and fuel oil in addition to the customary use as a cooking oil. The 1947 harvest in India, the second largest producer, was 10 percent greater than in 1946. China and India normally produce about 90 percent of the world total. A severe winter kill reduced the European rapeseed crops by approximately 35 to 40 percent from the 1946 harvest. Rapeseed oil available for consumption in 1948 is expected to amount to 1.8 million tons compared with 1.6 million a year ago. Only small quantities, principally in the form of oil from Argentina and China, will be available for export.

OTHER INDUSTRIAL OILS

Reports of increased plantings of castor seed in Brazil indicate that world export supplies for 1948 will be somewhat greater than the 85,000 tons reported for 1947. Total production in 1947 of 180,000 tons in terms of oil was less than production of 1946 and less than prewar. Supplies from India for 1948 are not likely to exceed those of 1947.

The supply of tung oil available for 1948 is estimated to be about the same as 1947 although exports from China depend to some extent on commercial and transportation facilities within the country. Tung production in South America is increasing and may add significantly to the world supply within the next few years.

The availability of oiticica oil depends on conditions in Brazil. Production and exports were low in 1947 and in 1948 may reach the quantities reported in 1946.

ANIMAL AND MARINE OILS

The world output of animal fats in 1947 was only slightly above that of 1946 and continues well below the production of prewar years. Reduced feed supplies resulting from a poor crop season in Europe arrested the recovery of the livestock industries on that continent and especially lowered the output of butter in the last half of 1947. With normal crop conditions in 1948 the production of butter should show an upward trend, but reduced livestock numbers, unsuccessful efforts to rebuild herds in Europe, and lack of feed grains in North America may so reduce the output of slaughter fats that the total animal fat supplies of 1948 will probably not be greatly improved over 1947.

BUTTER

Production of butter in 1947 was greater than for 1946 in North and South America, and in New Zealand where there was a recovery from the low production of the preceding year. These relatively small increases were partially offset by an unfavorable season in Europe where butter output, higher than in recent years for the first half of 1947, was reduced in the second half by deficient feed supplies. World output for 1947 was apparently about the same as for the previous year and about 850,000 tons below the prewar production. A high rate of slaughter in Europe, forced by shortage of cattle feed, forecasts a limited production for 1948, and high prices for feeds particularly in North America may prevent any substantial recovery of total production until late in 1948.

Supplies for international trade improved over those of 1946 primarily because of a greater output from the Southern Hemisphere. Exports from Denmark were below expectations in 1947 and world supplies for export in 1948 seem unlikely to increase materially.

LARD

Lard production in 1947 increased slightly above that of the previous year but was only about 86 percent of prewar. A small increase in the output of North America was largely offset by declines elsewhere. Lack of grains in Europe and hog diseases in a number of South American countries prevented any substantial increase during the year.

Lard production and exports are expected to increase in Argentina for 1948, but short grain supplies in Europe and North America are likely to restrict the lard output from those continents. World output in 1948 may be below the production reached in 1947.

TALLOW

Tallow output in 1947 was somewhat above that of 1946 and considerably above prewar. Production continued at a high level in the Western hemisphere and increased in Europe as reduced feed supplies forced livestock slaughter. Increasing consumption in countries producing for export has, however, tended to reduce quantities available for international trade, and export supplies are far below those of 1935-39.

MARINE OILS

The supply of marine oils in 1947 was substantially higher than the low production of 1946 and 1945 but was still only 60 percent of the high prewar output. Whale oil production in 1947 was double that of 1946 and approached the limit set by the International Agreement governing the number of whales taken in the Antarctic. Production of fish oil by the United States and Norway was greater than in 1946, but because of reduced output in other countries, the world supplies are increased only slightly. Japanese production, an important factor in the prewar supplies of fish oil, has not recovered materially from the low wartime output. Reduced fishing activities and the utilization of fish as food limit the output of fish oil in this and many other areas.

Fats and Oils: Estimated World production a/, 1947 with comparisons

Commodity	Total in oil or fat equivalent			
	Average 1935-39	1945	1946	1947
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Edible vegetable oils:				
Cottonseed	1,670	1,110	1,156	1,390
Peanut	1,659	1,635	1,676	1,720
Soybean	1,345	1,465	1,514	1,444
Sunflower	630	796	683	882
Olive oil	960	542	820	1,075
Sesame	681	586	590	575
Total	6,945	6,134	6,439	7,086
Palm oils:				
Coconut	1,610	225	760	1,380
Palm kernel	385	260	283	260
Palm oil	680	280	290	330
Babassu kernel	30	35	38	40
Total	2,705	800	1,371	2,010
Industrial oils:				
Flaxseed	1,160	1,018	900	1,040
Castor-bean	202	197	188	180
Rapeseed	1,362	1,399	1,583	1,750
Oiticica oil	10	15	11	4
Tung oil	150	90	100	125
Perilla seed	65	50	14	10
Total	2,949	2,769	2,796	3,109
Animal fats:				
Butter	3,700	2,835	2,770	2,850
Lard	3,000	2,400	2,390	2,570
Tallow	1,450	1,720	1,625	1,855
Total	8,150	6,955	6,785	7,275
Marine oils:				
Whale	585	44	159	350
Fish	315	160	150	170
Total	900	204	309	520
Estimated world total	21,649	16,862	17,700	20,000

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a/ The production for each commodity was determined by estimating the percentage of each used as visible fats and oils. Allowances were made for seed, feed, and oilseeds consumed directly for human food. Since export figures are the only reliable data available for most palm oils, an additional percentage was added for local consumption in order to arrive at total production. The following percentages were used in arriving at total production of visible fats and oils:

Percentage	Commodities	Percentage	Commodities
125	Copra, palm oil	90	Sunflower seed, rapeseed, flaxseed, perilla
110	Palm kernels		
100	Olive oil, babassu, oiticica, tung, lard tallow, whale, fish.	85	Sesame
		81	Butter
		75	Cottonseed
		65	Soybeans
95	Castor-beans	60	Peanuts

Fats and oils: World exports, 1948 with comparisons

	Total in oil or fat equivalent			
	Average 1935-39	1946	Estimate 1947	Forecast 1948
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Edible vegetable oils:				
Cottonseed	190	44	30	35
Peanut	852	328	320	400
Soybean	440	67	67	40
Sunflower	32	68	50	50
Olive oil	174	12	15	75
Sesame	65	6	6	10
Total	1,753	525	488	610
Palm oils:				
Coconut	1,290	610	1,105	1,135
Palm kernel	350	257	236	255
Palm	545	232	265	300
Babassu kernel	20	10	8	10
Total	2,205	1,109	1,614	1,700
Industrial oils:				
Linseed	714	250	280	300
Castor	101	65	85	90
Rapeseed	45	7	10	15
Oiticica	4	16	8	15
Tung a/	89	41	55	55
Perilla	40	0	0	0
Total	993	379	438	475
Animal fats:				
Butter b/	460	265	265	255
Lard	190	250	190	185
Tallow	195	110	115	110
Total	845	625	570	550
Marine oils:				
Whale	584	160	350	360
Fish	150	30	50	50
Total	734	190	400	410
Grand total	6,530	2,828	3,510	3,745

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a/ 1933-37 average.
b/ 1934-38 average.

WORLD PRODUCTION, TRADE AND CONSUMPTION OF MEAT

The quantity of meat produced in the principal livestock countries of the world in 1948 probably will be considerably less than the 1947 output. The quantity available for export is also likely to be reduced, while import requirements for many countries will be higher because of lower indigenous production. Consequently, meat consumption in all countries, except in Australia, New Zealand, and Argentina, can be expected to be somewhat lower in 1948.

During 1947, the production of meat for the principal livestock countries of the world, exclusive of the Far East, is estimated at about 64.7 billion pounds, an increase of about 6 percent over a year earlier. Although this exceeds the 1946 production by 3.8 billion pounds, it is still about 1.4 billion pounds below the prewar average.

The largest increase in meat output during 1947 took place in Europe. This was due primarily to reduced feed supplies and the late summer drought, resulting in greater than seasonal slaughter of livestock. Moderate production gains however, occurred in all of the meat producing countries, except in the United Kingdom, Eire, Canada, and in some minor exporting countries of South America

Meat output in Europe during 1947 was about two-thirds of prewar, and it is believed that about the same relationship to prewar was attained by the Soviet Union during the year. Brazil and Uruguay, because of inadequate transportation and storage facilities in the former and unfavorable conditions and prevalence of foot-and-mouth disease in the latter, are still somewhat below their prewar average production. Other meat producing countries, except Australia, are above their respective prewar levels.

Meat production possibilities for the immediate future do not appear too encouraging when reviewed in the light of prevailing local conditions and present economic situations. On the North American continent, strong consumer demand in the United States and reduced feed supplies, particularly of the 1947 corn crop, have resulted in an unusually high slaughter rate and a large reduction in livestock numbers. Obviously, the building up of livestock numbers to a level that will enable meat production to be maintained at the 1947 level will require some time. The only probable source for augmenting cattle numbers in the United States would be through live cattle imports from Canada and then only if the Canadian embargo is removed. The present indefinite quarantine precludes importation of Mexican cattle. In Canada, the farmers, apparently, have reduced livestock numbers and shifted to grain farming because of high feed grain prices. New agricultural policies and adjustment in programs may be needed to bring about a stabilized livestock industry and to achieve the production levels attained during the last war.

The heavy slaughter of livestock in most of the European countries in 1947 has been a major setback to the prewar restoration of the industry. A renewal of the upward trend in numbers will depend largely on the availability of feed and the number of breeding animals retained or available. Prewar levels of production probably will not be reached for a number of years. In Denmark, normally the principal exporting country in Europe, there has been considerable liquidation of livestock, particularly hogs, because of the feed shortage, inadequate export prices and high production costs. However, if given higher prices and adequate feed supplies, hog numbers in particular could be restored reasonably soon. Eire's production of meat in 1947 exceeded prewar by 24 million pounds, but was 20 million pounds below the 1946 level. The production in that country, however, can be expected to reach the 1946 level fairly soon.

Although the livestock numbers of the Southern Dominion countries of Australia and New Zealand were reduced by drought in 1945 and 1946, present indications are that restoration of cattle and sheep numbers has been fairly rapid. Argentine and Brazilian cattle numbers also appear to be moving in an upward direction. Australia, New Zealand and Argentina, therefore, seem to offer the best possibilities of an increasing meat supply for the immediate future.

From present indications, it appears rather evident that world meat production in 1948 will be considerably lower than in 1947 and in all probability several years will be required to reach again the 1947 output.

From the standpoint of international trade, larger meat supplies can probably be anticipated in 1948 from all of the principal exporting countries, except the United States, Canada and Denmark. Meat supplies that entered into world trade from these countries 1/ in 1947, according to the best available information, were estimated at over 4.6 billion pounds, compared with nearly 5.5 billion pounds in 1946 and 4.2 billion during the prewar period. In 1947 the increased meat exports from Argentina, Australia, New Zealand and Denmark, the principal exporting countries, were not sufficient to offset the decreases that occurred in the exports from United States, Canada and Eire. Some intra-continental trade may have occurred in eastern Europe that is not reflected in this summary.

European meat import requirements in 1947, except for the United Kingdom, were obviously less than in 1946, because of the rather heavy livestock liquidation. Consequently, the 1948 import needs are likely to be larger for the reason that livestock numbers and probably breeding numbers may have been seriously impaired by heavy liquidation in 1947. If such is the case, further delay in the restoration of livestock numbers, particularly in western Europe, can be anticipated.

If meat importations to the United Kingdom in 1948 are not limited by lack of foreign exchange, that country, the principal importer of meat, will require imports that are at least equivalent to the 1947 level to assure continuance of the present low meat rations. Meat imports into that

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1/ Includes United States, Canada, Australia, New Zealand, Argentina, Brazil, Paraguay, Uruguay, Chile, Denmark, and Eire.

country during 1947 were estimated at 3.5 billion pounds, slightly higher than 1946, and about 120 million pounds higher than prewar. On the other hand, domestic supplies and per capita consumption in 1947 were about 30 and 16 percent, respectively, below that of prewar. Although United Kingdom already has agreements with Argentina, Australia, New Zealand, Canada, Denmark and others for the purchase of meat, it is entirely possible that her 1948 meat supplies in the aggregate from these countries may not exceed, or possibly even reach, the 1947 level. Any increase in the meat rations of the United Kingdom may be dependent on outside supplies from other than the principal exporting countries and on increased domestic production.

Some factors that may affect the future volume of meat entering into international trade are discernible in various parts of the world. In Brazil, for instance, if adequate storage and transportation facilities become available, the exportable supplies of meat will go into home consumption in other parts of the country not now readily accessible by present means of transportation. The present per capita meat consumption in that country is relatively low. Other meat importing countries with increasing populations and those particularly suited to a livestock economy are in some instances planning programs that tend to assure greater domestic production and less dependence on certain countries for their imports. In some instances, meat producing countries, because of high production costs and unfavorable feed-price relationships, are gradually being forced to other types of farming.

The anticipated reduction in meat supplies in 1948 is likely to drop below the 1947 per capita consumption level in all countries except Argentina and Oceania. Meat consumption in Europe during 1947 appeared to have been about the same or somewhat higher than in 1946, but below prewar levels in practically all of the countries except Denmark, Eire, and Czechoslovakia.

The per capita meat consumption for the principal exporting countries continues at relatively high levels when compared with non-exporting meat producing countries and meat importing countries of the world. In 1947, the per capita meat consumption in the United States, Canada, Mexico, Denmark, Eire and the Union of South Africa increased and is now larger than prewar. New Zealand, Australia, and Argentina continued to have the highest per capita of meat consumption, but present per capita is somewhat below the prewar consumption level. Such countries as Portugal, Italy, Bulgaria, Brazil, Netherlands, and Austria had the lowest per capita of meat consumption in 1947.

Shortage or lack of foreign exchange in many of the countries of Europe during 1947 had a double effect upon meat consumption. First, countries with livestock had to slaughter animals at lower weights, resulting in lower production because of inability to pay for imported feedstuffs needed for feeding to heavier weights. Second, other countries were unable to import meat because of the inability to pay for such importations. In both instances, the result was lower consumption.

MEAT 1/: Production, net trade and consumption, prewar average, 1946 and 1947

Countries	Production			Net trade + Imports; - Exports			Apparent consumption			Per capita consumption				
										In pounds			In percent of prewar	
	Prewar 2/	1946	Prel. 1947	Prewar 2/	1946	Prel. 1947	Prewar 2/	1946	Prel. 1947	Prewar 2/	1946	Prel. 1947	1946	1947
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Pounds	Pounds	Pounds	Percent	Percent
Canada	1,417	2,080	2,000	-168	-641	-425	1,223	1,470	1,575	113	125	127	111	112
Mexico	698	902	904	+ 1	- 6	- 8	699	896	896	38	39	39	102	102
United States	16,182	22,961	23,200	+ 65	-1,135	-250	16,303	21,234	22,300	126	153	156	121	124
Cuba	309	300	375	+ 4	+ 9	+ 8	313	309	383	76	62	76	82	100
Austria	617	300	400	+ 13	+ 80	+ 22	630	380	422	93	54	61	58	65
Belgium	693	354	460	+ 48	+ 232	+223	741	586	683	89	70	81	79	91
Bulgaria 3/	332	202	225	- 6	-	-	326	202	225	53	29	32	55	60
Czechoslovakia 4/	912	700	900	5/	+ 122	+ 13	912	822	873	65	63	71	97	109
Denmark	1,006	829	900	-534	-283	-330	472	546	570	127	133	138	105	108
Eire	336	380	360	- 71	- 70	- 30	265	310	330	90	105	111	117	123
Finland	254	160	220	- 5	+ 10	+ 8	249	170	228	66	43	57	65	86
France	3,684	2,610	3,460	+ 48	+270	+130	3,732	2,915	3,540	91	71	86	78	95
Germany	7,471	6/ 2,000	6/ 2,300	+150	6/ + 44	6/ + 3	7,621	6/ 2,044	6/ 2,303	113	6/ 43	6/ 47	38	42
Greece	195	155	170	+ 3	+ 63	+ 30	198	218	200	29	28	26	96	90
Hungary	538	300	500	- 14	+ 4	-	524	304	500	59	33	54	56	92
Italy 7/	1,542	1,065	1,100	+ 115	+112	+100	1,657	1,177	1,200	39	26	26	67	67
Netherlands	894	386	420	- 65	+ 89	+ 49	829	475	469	97	50	49	52	51
Norway	223	172	190	+ 2	+ 12	+ 4	225	184	194	78	59	62	76	79
Poland and Danzig	1,598	8/ 690	8/ 900	-100	8/ +135	8/ + 31	1,498	8/ 825	8/ 931	44	8/ 35	8/ 39	80	89
Portugal	290	210	200	5/	+ 8	+ 7	290	208	207	43	25	25	58	58
Rumania	657	-	-	- 6	-	-	651	-	-	34	-	-	-	-
Sweden	649	9/ 626	9/ 626	- 16	+ 22	+ 20	633	9/ 648	9/ 646	101	96	96	95	95
Switzerland	419	260	275	+ 17	+ 24	+ 10	436	284	305	105	64	68	61	65
United Kingdom	2,725	1,980	1,900	+ 3,380	+ 3,480	+ 3,500	6,105	5,460	5,400	124	106	104	85	84
Yugoslavia	597	-	-	- 22	+ 77	+ 8	575	-	-	38	-	-	-	-
Soviet Union	7,292	-	-	+ 3	+223	-	7,295	-	-	44	-	-	-	-
Argentina 10/	4,459	5,044	5,600	- 1,460	- 1,473	- 1,820	2,999	3,571	3,780	242	226	235	93	97
Brazil 11/	2,331	2,091	2,035	- 213	- 223	- 250	2,118	1,868	1,785	56	40	38	71	68
Chile	349	450	440	- 18	- 25	- 20	367	425	420	81	79	77	98	95
Paraguay 11/ 12/	87	180	150	- 16	- 61	- 30	71	119	120	79	95	92	120	116
Uruguay 11/	571	657	520	-324	-287	-150	247	370	370	121	162	161	134	133
Union of South Africa	671	859	860	+ 6	+ 15	+ 15	677	874	875	70	77	77	110	110
Australia 13/	2,094	1,937	2,003	-496	-517	-531	1,598	1,420	1,472	236	192	196	81	83
New Zealand 14/	1,024	1,175	1,216	-592	-738	-748	432	437	468	270	253	262	94	97

1/ Carcass ~~meat basis~~-includes beef and veal, pork, mutton and lamb, goat and horse meat. Excludes edible offal, and lard. 2/ Prewar average is for years 1935-39 for United States, Canada, and Sweden, 1936-38 for New Zealand and United Kingdom, 1936 for Czechoslovakia, and 1934-38 principally for others. 3/ Includes Southern Dobrudja for years 1946 and 1947. 4/ Excluding Ruthenia (Sub-Carpathian Russia). 5/ Less than 500,000 pounds. 6/ Estimates for 3 zones of occupation - U.S.-U.K. Zone and French Zone. 7/ Year beginning July 1 for 1946 and 1947. 8/ Estimates for territory within present boundaries. 9/ Year beginning September 1. 10/ Excludes farm production and consumption of pork. 11/ Excludes farm production and consumption. 12/ Beef and veal only. 13/ Year beginning July 1 for prewar average. 14/ Year ending September 30.

Office of Foreign Agricultural Relations. Prepared or estimated from official statistics, United States foreign service reports, and other information. Data relate to prewar boundaries unless otherwise noted.

France and other countries that were forced to liquidate livestock holdings because of lack of feed are freezing some quantities of freshly slaughtered meat for storage stocks. It can be assumed that other countries without freezing and storage facilities may be curing, preserving, or canning surplus meats.

Despite these efforts to preserve supplies, prospects of maintaining the 1947 meat consumption level, particularly in Europe, appear to be impossible of accomplishment in view of the anticipated lower indigenous production and the possibility of smaller imports in 1948. Farm consumption will be affected the least and non-supplier or urban dweller consumption as usual will be most seriously affected.

MILK AND DAIRY PRODUCTS

World supply prospects for milk and dairy products at the beginning of 1948 are not as bright as a year earlier. A short feed crop supply and unfavorable pasture conditions in much of the Northern Hemisphere during the last half of 1947 reduced the level of milk production, and output is not expected to reach levels of corresponding periods a year earlier until spring pastures bring about the usual spring flush. In Australia and New Zealand, however, the output of milk and dairy products during the current season is ahead of a year earlier. In Argentina, the other principal Southern Hemisphere producing country, flush production for the current season was about a month later than usual.

These variations in production have tended to reduce indigenous supplies of milk and dairy products in deficit countries of Europe and to increase exportable supplies, especially from the Southern Hemisphere. In the aggregate the supply of dairy products for European countries has not been reduced as much as supplies of fluid milk for direct consumption. Supplies to consumers of milk in cities have decreased most. Canned and dried milk have been used to partially fill this gap.

In western Europe, the drought in the last half of 1947 not only reduced supplies of milk and products in deficit countries, but reduced the surpluses in Denmark and the Netherlands which normally export dairy products. Furthermore, the halting of the upward trend in dairy cow numbers in these two countries and the reduced feed supplies will markedly delay the return to prewar levels of production and export.

Although there are more dairy cows in Europe now than in 1946, supplies of milk in the first half of 1948 are not expected to be much greater than in 1946 and less than in 1947. Shortages of cereals and other foods have increased the demand for dairy products in most European countries. At the start of 1948 exportable supplies of dairy products from the United States and other countries appear to have a ready market in contrast to some weakening of demand prospects that was evidenced in early 1947.

In the event of a continued mild winter in Europe, spring production may increase earlier than usual. It is expected that the strong demand for fluid milk would readily absorb any such increase so that quantities available for manufacturing purposes would not be higher than otherwise expected.